

Crisis

The homelessness monitor: England 2016

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January 2016



The homelessness monitor 2011-2016

The homelessness monitor is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in England. It considers both the consequences of the post-2007 economic and housing market recession, and the subsequent recovery, and also the impact of policy changes.

This fifth annual report updates our account of how homelessness stands in England in 2016, or as close to 2016 as data availability allows. It also highlights emerging trends and forecasts some of the likely future changes, identifying the developments likely to have the most significant impacts on homelessness.

While this report focuses on England, parallel homelessness monitors are being published for other parts of the UK.

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About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

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Disclaimer: All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of Crisis, the Joseph Rowntree Foundation or of any of the key informants who assisted with this work.

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Acronyms

AR	Affordable Rent
AST	Assured Shorthold Tenancy
BHPS	British Household Panel Survey
BTL	Buy to Let
CEE	Central and Eastern European
CHAIN	Multi-agency database recording information about rough sleepers and the wider street population in London
CIH	Chartered Institute of Housing
CPAG	Child Poverty Action Group
CPI	Consumer Price Index
CSR	Comprehensive Spending Review
CTB	Council Tax Benefit
CTS	Council Tax Support
DCLG	Department for Communities and Local Government
DHP	Discretionary Housing Payments
DWP	Department for Work and Pensions
EEA	European Economic Area
EHS	English Household Survey
ESA	Employment and Support Allowance
ESRC	Economic and Social Research Council
FTT	Fixed Term Tenancy
GB	Great Britain
GDP	Gross Domestic Product
HB	Housing Benefit
HCA	Homes and Communities Agency
HPG	Homelessness Prevention Grant
JRF	Joseph Rowntree Foundation
JSA	Jobseeker's Allowance
LA	Local Authority
LFS	Labour Force Survey
LGA	Local Government Association
LHA	Local Housing Allowance
LSE	London School of Economics and Political Science
LWA	Local Welfare Assistance
MEAM	Making Every Adult Matter
NEET	Not in Education, Employment or Training
NHF	National Housing Federation
NPI	New Policy Institute
NPSS	National Practitioner Support Service
NSNO	No Second Night Out
OBR	Office for Budget of Responsibility
ONS	Office for National Statistics
PRS	Private Rented Sector
PSE	Poverty and Social Exclusion survey
RTB	Right to Buy
SAR	Shared Accommodation Rate
SP	Supporting People
SSAC	Social Security Advisory Committee
TA	Temporary Accommodation
UC	Universal Credit
UKSA	UK Statistics Authority
USS	Understanding Society Survey

Foreword

The homelessness monitor England is an annual state-of-the-nation report looking at the impact of economic and policy developments on homelessness.

Alongside statistical analysis and in-depth interviews, this year's Monitor once again draws on a survey of English councils, and the results provide an invaluable insight into the challenges faced by frontline services. This year's report shows that 275,000 cases of homelessness were recorded in England last year (combined statutory and prevention statistics). In this context, one of the most troubling findings from the survey is that councils across England are struggling to support the growing numbers of single homeless people. The problem is particularly acute for young people, with nine out of ten English councils finding it difficult to help those aged 25-34.

Councils attribute this, at least in part, to welfare reform: two thirds believe the reforms – particularly the cap on housing benefit and lower rates of housing benefit for under-35s – are fuelling homelessness in their area. As councils struggle to cope with the high levels of demand, it's significant that the majority support a change in the law to expand homelessness prevention. This follows a recent government pledge to consider legislation doing just that.

The preferred approach is similar to that introduced in Wales, where there is a duty to help anyone faced with the loss of their home, and not just those deemed a 'priority', such as families with children. Such a move would be a major step forward in tackling homelessness, bringing England into line with the good practice seen in Wales and Scotland, where the support for homeless people has already been significantly increased.

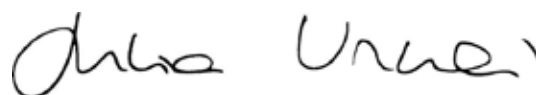
More and more people are struggling to keep a roof over their heads, and as this report warns, recent housing and welfare changes could make it even harder for low income households to find a place to live. The researchers also point to the growing insecurity of the housing market: the loss of a private tenancy is now the leading cause of homelessness in England, while the number of people placed into temporary accommodation continues to rise sharply – with a 12% increase last year.

Faced with these developments, we have to ask, 'who will house the poorest?'

So whilst a change in the law could represent one of the most radical improvements for tackling homelessness in nearly 40 years, unless government policy on housing and welfare brings greater security and accessibility for people supported by benefits, councils could be stuck forever tackling the symptoms rather than the causes of homelessness. This report examines all these issues in depth, with analysis of recent housing and welfare changes, homelessness trends and an evaluation of the usefulness of existing homelessness figures.



Jon Sparkes
Chief Executive, Crisis



Julia Unwin
Chief Executive, Joseph Rowntree Foundation

Executive summary

The homelessness monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in England and elsewhere in the UK.¹ This fifth annual report updates our account of how homelessness stands in England in 2016, or as close to 2016 as data availability allows.

Key points to emerge from our latest analysis are as follows:

- An ongoing rise in officially estimated rough sleeper numbers remained evident in 2014, with the national total up by 55 per cent since 2010. At 14 per cent, the 2014 country-wide increase was the largest since 2011. Most notably, the 2014 London estimated total was up by 37 per cent over the previous year. Most of this increase resulted from a jump from 175 to 315 rough sleepers enumerated in the City of Westminster and the City of London. Statistics routinely collected by the 'CHAIN' system confirm a substantial rise in rough sleeping in the capital over the past year.
- At 54,000, annual statutory 'homelessness acceptances' were 14,000 higher across England in 2014/15 than in 2009/10. With a rise of 4 per cent over the past year, acceptances now stand 36 per cent above their 2009/10 low point. However, administrative changes mean that these official statistics understate the true increase in 'homelessness expressed demand' over recent years.
- Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 275,000 'local authority homelessness case actions' in 2014/15, a rise of 34% since 2009/10. While this represents a slight (2%) decrease in this indicator of the gross volume of homelessness demand over the past year, two-thirds of all local authorities in England reported that overall service demand 'footfall' had actually increased in their area in 2014/15.
- A recent assessment by the UK Statistics Authority concluded that the official Homelessness Prevention and Relief and Rough Sleeping statistics do not currently meet the required standards of trustworthiness, quality and value to be designated as 'National Statistics'. The Statutory Homelessness Statistics (narrowly) retained their National Statistics status on condition that urgent action is taken by Government to make a series of required improvements, including placing these statistics in their proper context.
- The vast bulk of the recorded increase in statutory homelessness over the past five years is attributable to the sharply rising numbers made homeless from the private rented sector, with relevant cases almost quadrupling from 4,600 to 16,000. As a proportion of all statutory homelessness acceptances, loss of a private tenancy therefore increased from 11 per cent in 2009/10 to 29 per cent in 2014/15. In London, the upward trend was even starker, homelessness consequent on the ending of a private tenancy accounting for 39 per cent of all acceptances by 2014/15.
- Regional trends in statutory homelessness have remained highly contrasting, with acceptances in the North of England some 10 per cent lower in 2014/15 than in 2009/10 (the national nadir), while in London the

¹ Parallel homelessness monitors are being published for Scotland, Wales and Northern Ireland. All of the UK homelessness monitor reports are available from <http://www.crisis.org.uk/policy-and-research.php>.

figures are 85 per cent higher than at that time.

- Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 12 per cent in the year to 30th June 2015; up by 40 per cent since its low point four years earlier. Although accounting for only eight per cent of the national total, B&B placements rose sharply (23%) in the most recent year. 'Out of district' placements also continue to rise, now accounting for 26 per cent of the national total, up from only 11 per cent in 2010/11. Such placements mainly involve London boroughs.
- English local authorities report far greater difficulties providing 'meaningful help' to single homeless people, especially those aged 25-34, and to homeless people with complex needs, than they do for homeless families with children. There was majority support amongst English local authorities for a move towards the more 'universal' preventative model offered to all homeless households under the Housing (Wales) Act 2014. London Boroughs were evenly split on the model's merits.
- There were 2.35 million households containing concealed single persons in England in early 2015, in addition to 267,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.52 million. These numbers represent a rise of 40 per cent since 2008. On the most recent (2013) figures 701,000 households (3.1%) were overcrowded in England; the highest level in recent years. Both concealed and overcrowded households can be stuck in that position for considerable periods of time, with this persistence worsening after the recent economic crisis.
- The continuing shortfall in levels of new house building relative to levels of household formation, in a context where there are substantial numbers of concealed and sharing households, and severe levels of overcrowding in London, is a prime structural contributor to homelessness in England.
- There are concerns that the forced sale of high-value council houses, coupled with the loss of properties via the Right to Buy, and reduced new build development, will further deplete social housing capacity in just those areas of England already exposed to extreme shortage. Coupled with a potential weakening in local authority nomination rights to housing association properties, and growing difficulties in gaining access to the private rented sector, these recent policy developments could well result in 'perfect storm' conditions for local authorities seeking to discharge statutory homelessness duties.
- Two thirds of local authorities in England reported that the 2010-2015 welfare reforms had increased homelessness in their area. Negative effects of welfare reform on homelessness levels were much more widely reported by local authorities in London (93%) than in the North of England (49%).
- Northern local authorities most commonly cited the extension of the Shared Accommodation Rate to 25-34 year olds (44%), and benefit sanctions (33%), as the primary welfare reform measures driving homelessness in their areas. In London, on the other hand, the maximum cap on Local Housing Allowance rates was by far the most frequently identified welfare change inflating homelessness (reported by 69% of London Borough Councils).
- Almost three quarters (73%) of English local authorities anticipated that the roll

out of Universal Credit would further increase homelessness in their area. Particular concerns focused on the impact of altered direct rental payment arrangements on their already fragile access to private tenancies to prevent or alleviate homelessness.

- The new welfare reforms announced in the Summer 2015 Budget and Autumn Statement will have particularly marked consequences for families with more than two children, and for out-of-work young single people aged 18-21 who, subject to specific exemptions, may be entirely excluded from support with their housing costs or otherwise subject to the very low Shared Accommodation Rate of Housing Benefit in the social as well as the private rented sector. In the face of these and other major benefit cuts, local authority survey respondents largely viewed expanded Discretionary Housing Payments budgets, while welcome and necessary, as an unsustainable 'fix' in the longer-term.
- The one per cent cut in social rents and, even more so, the extension of the Local Housing Allowance Rate caps to the social rented sector have prompted concerns about the viability of supported accommodation services unless exemptions are applied in this subsector. Temporary accommodation for homeless people will in future be funded via an upfront allocation given to councils rather than an additional 'management fee' recouped through Housing Benefit, which may have implications for local authorities' ability to respond to fluctuating levels of 'homelessness demand'.
- From our vantage point at the end of 2015, and having completed five annual Homeless Monitors for England, it is clear

that homelessness worsened considerably during the five years of the Coalition Government. While the Homelessness Prevention Grant has received welcome protection from general cutbacks, services have been overwhelmed by the knock-on consequences of wider ministerial decisions, especially on welfare reform.

- Looking ahead to likely developments under the Conservative Government until 2020, there is much cause for concern, with deepening cuts in welfare making access to both rental sectors increasingly difficult for low income households. However, recent announcements regarding the potential for constructive legislative change provide grounds for some cautious optimism on that front at least.

Trends in homelessness

Rough sleeping

An ongoing rise in officially estimated rough sleeper numbers remained evident in 2014, with the national total up by 55 per cent since 2010. At 14 per cent, the 2014 country-wide was the largest since 2011. Most notably, the 2014 London total was up by 37 per cent over the previous year. Most of this increase resulted from a jump from 175 to 315 rough sleepers enumerated in the City of Westminster and the City of London.

The more robust and comprehensive rough sleeper monitoring data collected routinely by the St Mungo's Broadyway 'CHAIN' system in London² confirms this upward trajectory, with rough sleeping more than doubling in the capital since 2009/10 (up 106%). This includes a 16% rise in the last year – the fastest rate of increase since 2011/12. The particularly sharp increase in London's Central and Eastern European rough sleeper numbers in 2014/15 (up 37% on the previous

2 St Mungo's 'Street to Home' monitoring reports (available at <http://data.london.gov.uk/dataset/chain-reports>) supplemented by unpublished data provided by St Mungo's.

year) seems to bear out the concerns noted in last year's homelessness monitor that 2014 restrictions on the housing benefit entitlements of European Economic Area migrants³ could exacerbate Central and Eastern European rough sleeping.⁴ It has also been reported that growing numbers of Romanian Roma who are working for very low wages in the informal economy, and may be considered 'non destitute rough sleepers'.⁵

The great majority of London's rough sleepers are part of an annual 'flow' of newly enumerated homeless, and this group have accounted for most of the rising trend in recent years. However, nearly 2,500 were classed under the CHAIN system in 2014/15 as 'stock' or 'returner' cases – people also logged as rough sleepers in 2013/14 or in a previous year.⁶ While accounting for only just over one in ten rough sleepers in the latest statistics, numbers in the 'returner' category had grown by 20 per cent since 2013/14. Since returners are former rough sleepers who were 'off the streets' for at least one year prior to 2014/15, it is important to understand what has prompted their renewed homelessness.

Single homelessness

Data on single homelessness trends, other than with respect to rough sleeping, are hard to source. The statutory homelessness system (see below) excludes most single homeless people, with only certain 'vulnerable' categories deemed 'priority cases' and therefore accepted as owed the main homelessness duty. The recent trend

in such priority single homelessness cases has been relatively flat, rising only 9 per cent in the five years to 2014/15, as compared with the 47% increase seen for other types of households accepted as homeless (mostly families with children, see below). Likewise, 'non-priority' cases logged by local authorities – most of whom will be single people – have been running at around 20,000 in recent years with no clear sign of any upward (or downward) trend.

There are two possible explanations for the relatively stable incidence of single homelessness as measured via statutory homelessness records. One is that the underlying growth in single homelessness has in fact been much lower than among families. The other, and more plausible, explanation is that the recorded trend in single homelessness acceptances reflects an increasingly rigorous interpretation of the 'vulnerability' test prior to a recent change in case law which lowered the relevant threshold,⁷ implemented alongside a reduced priority placed on informally assisting 'non priority' single homeless people in the context of the ratcheting up of resource pressures (see below).

As indicated by our 2015 survey, local authorities report far greater difficulties in providing 'meaningful help' to single homeless people than they do to for families with children. This was especially the case for single people aged 25-34. 54 per cent of local authorities reported that they 'often' found it difficult to provide meaningful help to this

3 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF

4 Homeless Link (2014) *Social Security Advisory Committee Formal Consultation and a Call for Evidence: The Housing Benefit (Habitual Residence) Amendment Regulations 2014*. London: Homeless Link.

5 Swain, J. (2015) 'Sleeping rough, working rough - with the Roma in London', *Ending Homelessness in London blog*, 28 March: <http://jermyswain.blogspot.co.uk/2015/03/sleeping-rough-working-rough-with-roma.html>

6 'Stock' cases are those involving rough sleepers enumerated in 2014/15 already logged as such in 2013/14; 'flow': rough sleepers enumerated in 2014/15 but never previously seen sleeping rough; 'returner': 2014/15 rough sleepers previously logged as rough sleepers before 2013/14, but not in 2013/14.

7 A Supreme Court ruling in May 2015 on the joined cases of Johnson, Kanu and Hotak (Hotak (Appellant) v London Borough of Southwark (Respondent), Kanu (Appellant) v London Borough of Southwark (Respondent), Johnson (Appellant) v Solihull Metropolitan Borough Council (Respondent) Crisis & Shelter, EHRC, SS for CLG interveners [2015] UKSC 30) made significant changes to the "vulnerability" test for those aged over 18. Previously councils were only obliged to treat as "vulnerable" those homeless applicants who were even more vulnerable than an "ordinary street homeless person". The new test of vulnerability pertains to whether an applicant is more likely to be harmed by the experience of homelessness than an "ordinary person" would be.

group and single people aged 18-24 (44%) and over 35 (39%). The other main group that local authorities felt that they struggled to appropriately assist to was households with complex needs (51 %). The comparable figure for families with children (including pregnant women) was five per cent.

When we asked local authorities to elaborate on the reasons for these problems, it was evident from their responses that acute shortages of affordable housing supply, coupled with welfare restrictions, were the key factors, particularly in London. The other key concern was severe cuts in housing-related support ('Supporting People') funding – the main source of Government investment in single homeless services for more than a decade.⁸ Between 2010/11 and 2015/16, English local authorities reduced Supporting People funding by 56 per cent in real terms, as compared with an average cut to all local authority services (excluding education) of 21 per cent over the same period.⁹ Moreover, disproportionate reductions in Supporting People funding for single homelessness services have been reported in many areas; up to 80 per cent in some instances.¹⁰ A powerful case has recently been made that, given the 'funding black hole' created by this radical shrinkage of Supporting People funding, urgent attention must now be given to ensuring that vulnerable homeless people can access the opportunities presented by the changing eligibility rules for adult social care and personal budgets introduced by the Care Act 2014.¹¹

It had been feared that the Autumn Statement might mark the end of the Homelessness Prevention Grant, distributed by Central Government to local authorities to support their Housing Options and prevention work, and other frontline homelessness services, including for single homeless people and rough sleepers. Intensive lobbying by a range of homelessness charities to preserve it¹² seems to have paid off, with an announcement by the Homelessness Minister in December 2015 that it was to be protected through the provisional local government finance settlement.¹³

The particular problems associated with assisting homeless households with complex needs were noted across England, but were a particularly strong focus of comments from local authorities in the North. It had been anticipated that the 2015 Autumn Statement might announce a national support programme for people with complex needs,¹⁴ but while no such announcement materialised¹⁵ it is thought that relevant developments may still be in the pipeline.

Besides resource issues, some local authority respondents to our survey made explicit the link between the difficulties they often faced in assisting single homeless people and the weakness of statutory duties towards this group. Under the terms of the Housing (Wales) Act 2014, Welsh local authorities are now under a duty to take "reasonable steps" to prevent

⁸ While this funding stream is no longer formally called 'Supporting People' this remains the terminology in wide usage so is employed here.

⁹ Source: CIPFA Financial and General Statistics (Estimates).

¹⁰ Homeless Link (2015) *Support for Single Homeless People in England: Annual Review 2015*. London: Homeless Link.

¹¹ Cornes, M., Mathie, H., Whiteford, M., Manthorpe, J. & Clark, M. (2015) *The Care Act, Personalisation and the New Eligibility Regulations. A Discussion Paper about the Future of Care and Support Services for Homeless People in England*. London: King's College London/University of Liverpool/Homeless Link/LSE.

¹² Crisis (2015) *Preventing and Tackling Single Homelessness*. <http://www.crisis.org.uk/data/files/publications/Homelessness%20Prevention%20grant%20briefing.pdf>

¹³ DCLG (2015) 'Radical package of measures announced to tackle homelessness', *DCLG Press Release*, 17 December: <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

¹⁴ McNeill, C. & Hunter, J. (2015) *Breaking Boundaries: Towards a 'Troubled Lives' Programme for People Facing Multiple and Complex Needs*. London: IPPR; The Calouste Gulbenkian Foundation & MEAM (2015) *Individuals with Multiple Needs: The Case for a National Focus*. London: Gulbenkian Foundation & MEAM.

¹⁵ MEAM (2015) 'Spending Review lacks ambition on multiple needs', *MEAM Blog*, 25 November: <http://meam.org.uk/spending-review-lacks-ambition-on-multiple-needs/>

or relieve homelessness for *all* eligible homeless households, and those at risk of homelessness within 56 days, regardless of priority need and intentionality.¹⁶ Our 2015 survey results indicate that a similar approach would have majority support amongst English local authorities, with 56 per cent of respondents in favour of the Welsh model, and only 25 per cent expressing disagreement. London boroughs were more evenly split, with 47 per cent in favour and 53 per cent opposed.

The reasons that English local authorities gave for being in favour of the Welsh model often included that the ‘main’ statutory duty can be discharged with a six month private rented tenancy, but there was also support for a stronger emphasis on flexible prevention and early intervention and for a more ‘universal’ offer to single people as well as families. The minority of respondents who were opposed included some Northern and Midlands authorities who felt that they were already doing all that they could to prevent homelessness and others, concentrated in London and the South, which emphasised that high housing market pressures and/or welfare restrictions would make it difficult for them to deliver on enhanced homelessness duties.

Shortly before completion of this year’s Monitor, the homelessness minister announced a commitment to “*work with homelessness organisations and across departments to consider options, including legislation, to prevent more people from becoming homeless*”.¹⁷ It was subsequently

reported that the government was considering imposing a new homelessness prevention duty, along the lines of the Welsh model, and informed by the proposals of an independent panel established by Crisis to review the English homelessness legislation.¹⁸

Also in December 2015, the Communities and Local Government Committee launched a Parliamentary Inquiry into Homelessness, including into its causes and the response at central and local government levels.¹⁹ The Committee Chair noted that he would raise the potential new prevention duty with Ministers as part of this Inquiry, including with regard to any accompanying funding commitments.²⁰

In the absence of an integrated dataset on single homelessness in England, we have attempted in this year’s Monitor to estimate the total scale of homelessness amongst adults by reconciling local authority (P1E) statistics with analyses of data from the Supporting People Short Term Services Client Records carried out as part of the *Hard Edged* study.²¹ This exercise indicates that the total number of homeless adults over the course of a typical year in England is likely to be far greater than statutory homeless ‘acceptances’ (191,400 compared to 53,500), and also that a majority of these homeless adults are ‘single homeless’ rather than living in families with children (123,150 compared to 68,250). These numbers are likely to represent an underestimate as they omit people who experience homelessness but do not approach either a local authority or a single homelessness agency for help.

¹⁶ A basic description of the Welsh model was given to survey respondents. It was explained that the new Welsh prevention and relief duties were not duties to provide social housing or other housing, but to take reasonable steps. Questions of priority need and intentionality are not required to be addressed until all such reasonable steps to prevent or relieve homelessness have failed. For those who are unintentionally homeless and in priority need, there is a duty to secure accommodation if prevention and relief efforts fail. But this full statutory duty can be discharged with a six month tenancy in the private rented sector.

¹⁷ DCLG (2015) ‘Radical package of measures announced to tackle homelessness’, *DCLG Press Release*, 17 December: <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

¹⁸ Spurr, H. (2015) ‘Government considers new homelessness duty’, *Inside Housing*, 7th January: <http://www.insidehousing.co.uk/policy/health-and-care/homelessness/government-considers-new-homelessness-duty/7013390.article>

¹⁹ See <http://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/news-parliament-2015/homelessness-launch-15-16/>

²⁰ Spurr, H. (2015) ‘Government considers new homelessness duty’, *Inside Housing*, 7 January: <http://www.insidehousing.co.uk/policy/health-and-care/homelessness/government-considers-new-homelessness-duty/7013390.article>

²¹ Bramley, G., Fitzpatrick, S., Edwards, J., Ford, D., Johnsen, S., Sosenko, F., & Watkins, D. (2015) *Hard Edges: Mapping Severe and Multiple Disadvantage*. London: Lankelly Chase Foundation.

Nonetheless the estimates from these combined administrative sources come remarkably close, in total, to the number of adults estimated to experience homelessness in England in a year prior to 2012 from retrospective questions in the completely independent UK Poverty and Social Exclusion Survey (185,000).²²

Statutory homelessness

Nationally, the three years to 2012/13 saw a marked expansion in the recorded statutory homelessness caseload, as reflected by the total number of formal local authority assessment decisions. These grew from 89,000 in 2009/10 to 113,000 in 2012/13. Similarly, households ‘accepted as homeless’ (formally assessed as unintentionally homeless and in priority need) rose by 34 per cent over this period.

Over the past two years, however, the national statutory homelessness caseload largely stabilised. In 2014/15 the total number of decisions remained static, albeit at 26 per cent above the 2009/10 level. Statutory homelessness acceptances (that sub-group of decisions involving households deemed unintentionally homeless and in priority need) rose 4 per cent in 2014/15 to a level 36 per cent above their 2009/10 low point. Thus, at almost 54,000, annual homelessness acceptances were 14,000 higher across England in 2014/15 than in 2009/10. The most recent quarterly figures indicate that this gently rising trend in statutory homelessness acceptances continues, with 14,670 households accepted from July to September 2015 – four per cent higher than the same quarter in 2014.

In interpreting such trends, however, it is crucial to factor in changes in administrative practice. Local authority staff testimony confirms that recent years have seen a

continuing trend towards a primarily non-statutory approach to homelessness, with prevention and relief cases now outnumbering statutory homelessness acceptances by more than three to one. Over 80 per cent of 2015 local authority survey respondents therefore considered that ‘the combined total of statutory homelessness acceptances, homelessness prevention and homelessness relief actions’ was a better guide to the trends in homelessness in their area than the statutory figures alone.

According to this composite measure, homelessness ‘demand’ actually fell back slightly over the past year in England (albeit that the cumulative total remained 34 per cent above that in 2009/10). At the same time, two thirds of local authority survey respondents reported that overall homelessness service demand ‘footfall’ had increased over the past year, and for almost one quarter of English local authorities (one third in London) this increase was said to have been ‘significant’. Less than one in ten local authorities reported that footfall had decreased. It seems, therefore, that while preferable to an exclusive focus on statutory acceptances, this broader measure remains imperfect for the purpose of capturing the real level of homelessness demand experienced by local authorities, perhaps not least because ‘unsuccessful’ prevention and relief interventions are not reported under the current system. Chiming with this, almost half the local authority respondents to our 2015 survey (45 per cent) considered that there was scope for enhancing the standard homelessness Returns, in particular to collect more detailed data on households processed via the informal homelessness prevention and relief routes.

Highly relevant here is a recent assessment by the UK Statistics Authority which

concluded that the official Homelessness Prevention and Relief and Rough Sleeping statistics do not currently meet the required standards of trustworthiness, quality and value to be designated as ‘National Statistics’.²³ For the Prevention and Relief statistics, the Authority emphasised the importance of publishing them every quarter and enhancing their content to cover, for example, the characteristics of affected households and the reasons for their homelessness or threatened homelessness. For the Rough Sleeping statistics, the key first step required by the Authority is for Government statisticians to demonstrate greater control over decision making around their collection. While the Statutory Homelessness Statistics have (narrowly) retained their National Statistics status, this “*fine judgement*”²⁴ was on condition that urgent action is taken by government statisticians to make a series of required improvements, including placing them in their proper context. In making this latter point, the UK Statistics Authority findings chime with those of the homelessness monitor series in stressing the importance of presenting the homelessness prevention, relief and statutory acceptance figures together as an “*integrated package*”²⁵ in order to avoid “*misleading interpretation*”.²⁶

While the statutory homelessness acceptance figures undoubtedly understate the increase in ‘homelessness expressed demand’ over recent years, they nonetheless provide some meaningful indication of regional trends, and it is clear that these remain highly contrasting. Generally, 2014/15 saw a perpetuation of previous trends, with London and the South diverging further from the Midlands and the North. The 2014/15 figure for homelessness acceptances in the North of England remained 10 per cent lower than in 2009/10

(the national nadir), while in London the latest figures were 85 per cent higher than five years earlier. This pattern suggests housing system factors have been continuing to play an important underlying role, alongside the disproportionate impacts of certain welfare reform measures in London in particular (see below).

The vast bulk of the recorded increase in statutory homelessness in the past five years has been attributable to the sharply rising numbers made homeless from the private rented sector; relevant cases have almost quadrupled from 4,600 to 16,000. As a proportion of all statutory homelessness acceptances, loss of a private tenancy therefore increased from 11 per cent in 2009/10 to 29 per cent in 2014/15. In London, the upward trend was even starker, with loss of a private tenancy accounting for 39 per cent of all homelessness acceptances by 2014/15. The annual number of London acceptances resulting from private tenancy termination therefore rose from 925 to 6,790 over the relevant period.

Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 12 per cent in the year to 30 June 2015; up by 40 per cent since its low point four years earlier. The bulk of temporary accommodation placements are in self-contained housing (both publicly and privately owned). However, although accounting for only eight per cent of the national temporary accommodation total as at 30 June 2015, B&B placements rose sharply in the most recent year. Totalling 5,630, the number of placements was 23 per cent higher than a year previously and no less than 200 per cent higher than in 2009.

23 UK Statistics Authority (2015) *Assessment of Compliance with the Code of Practice for Official Statistics: Statistics on Homelessness and Rough Sleeping in England*. London: UK Statistics Authority.

24 *Ibid*, para 1.5.

25 *Ibid*, para 1.5.

26 *Ibid*, para 1.10.

'Out of district' placements are also increasing, linked closely with the broader 'displacement' effects of welfare reform, discussed in last year's Monitor.²⁷ As at 30 June 2015, they accounted for 17,640 placements – 26 per cent of the national total, up from only 11 per cent in 2010/11.²⁸ Such arrangements mainly involve London boroughs. Cross-boundary placements create difficulties for 'receiving authorities' in meeting their own homelessness demands, as they often struggle to compete with the incentives offered to private landlords by London boroughs to accommodate their homeless households. In recognition of this, a deal has recently been struck between some London boroughs and councils in the West Midlands to agree on fixed maximum incentive payments.²⁹

Limited as they are, the data on 'successful' prevention actions provide an indication of the balance of these activities, which has tended to shift towards helping service users to retain existing accommodation rather than to obtain new housing. Probably reflecting the state of the housing market and the impact of welfare reforms (see below), assisting people in accessing private tenancies is no longer the largest single form of prevention activity. Since 2009/10 the annual volume of such cases has dropped by 19 per cent. The most striking homelessness prevention 'growth activity' has involved debt advice and financial assistance which, in 2014/15, accounted for over 50,000 prevention instances – up from only 16,000 in 2009/10. This would seem highly consistent with the anticipated impacts of welfare reform

on those in precarious housing circumstances (see below).

Hidden homelessness

The importance of regional patterns and housing market pressures is reinforced by our potential hidden homelessness analysis, which demonstrates that concealed households,³⁰ sharing households³¹ and overcrowding³² remain heavily concentrated in London and the South.

We estimate that there were 2.35 million households containing concealed single persons in England in early 2015, in addition to 267,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.52 million. These numbers represent broad stability alongside the estimates presented in the previous two Monitors but a rise of 40 per cent since 2008. Concealed single individuals living with others, when they would really prefer to live independently, thus increased markedly after 2008, and this was associated with a fall in new household formation.

Detailed analysis of longitudinal surveys³³ shows that being a concealed household can be quite a persistent state for both families and single people. For example, over the whole period 1992-2008, 57 per cent of concealed families in one year were in the same position the previous year, while between 2010 and 2013 this rose from 61 to 66 per cent. This tendency to increased persistence also applied to concealed singles, rising from 51 per cent in 2010 to 58 per cent in 2013. Persistence

27 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF.

28 DCLG (2015) *Statutory Homelessness: April to June Quarter 2015 England*. London: DCLG.

29 Spurr, H. (2015) 'Councils strike deal on out-of-London homeless moves', *Inside Housing*, 26 October: <http://www.insidehousing.co.uk/councils-strike-deal-on-out-of-london-homeless-moves/7012425.article>

30 'Concealed households' are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity.

31 'Sharing households' are those households who live together in the same dwelling but who do not share either a living room or regular meals together. This is the standard Government and ONS definition of sharing households which is applied in the Census and in household surveys. In practice, the distinction between 'sharing' households and 'concealed' households is a very fluid one.

32 'Overcrowding' is defined here according to the most widely used official standard - the 'bedroom standard'. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

33 Sources: Authors' analysis of British Household Panel Survey 1992-2008 and Understanding Society Survey 2009-13.

over three annual waves applied to 37 per cent of concealed families and 31 per cent of concealed singles over the whole period 1992–2008. This underlines that this form of hidden need is not just a temporary phenomenon for many, and that in the period of economic crisis this persistence became even more pronounced.

Sharing has seen a long-term decline, but household survey evidence indicates that this trend now appears to have bottomed out.³⁴ The scale of concealed and sharing households is associated with unemployment, private renting, and higher area house prices, after controlling for demographics (including the higher risks for young adults, migrants, and those experiencing relationship breakup).³⁵

On the most recent figures 701,000 households (3.1%) were overcrowded in England. This means that overcrowding is still sitting at its highest level in recent years. Overcrowding is less common in owner occupation (1.5%) and much more common in social renting (6.7%) and private renting (5.1%). There is a much higher incidence in London (across all tenures), with a rate of eight per cent in 2012/13. The next worst region for overcrowding is the West Midlands (3.2%), followed by the East and South East (2.4%). Recent trends in overcrowding are downward in the northern regions but upwards in the southern regions and London. Overcrowding, as with living as a concealed households, can be quite a persistent

experience, with this persistence increasing in recent years. Over the whole period 1992–2008, 62 per cent of overcrowded households in a particular year had been overcrowded the previous year;³⁶ in the period 2010–13, this rose to 70 per cent of crowded households having been crowded the previous year.³⁷

Youth homelessness

There is longstanding evidence that young people face disproportionate risks of homelessness.³⁸ Large-scale survey data indicates that young people are three times more likely to have experienced homelessness in the last five years than are older members of the general UK population,³⁹ and that additional risk is explained almost entirely by their heightened exposure to poverty.⁴⁰

However, positive policy and legal developments over the past decade or so have improved responses to young people who are homeless or at risk, including: the extension of priority need status to 16 or 17 year olds and care leavers aged 18–20 years old; the 2009 ‘Southwark Judgement’, which provided that homeless 16/17 year olds should now be treated as ‘children in need’ with a full social services assessment; and a more recent extension in ‘corporate parenting’ duties towards some children in care.⁴¹ There has also been investment in specific funds that aim to develop accommodation options for young homeless people, including the Fair Chance Fund⁴² and Platform for Life.⁴³ The

34 It should be noted that some, but not all, of the increase in concealed households may be the mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.

35 Bramley, G. & Watkins, D. (2015) ‘Housing need outcomes in England through changing times: demographic, market and policy drivers of change’, *Housing Studies*, E-published 16/10/15. DOI: 10.1080/02673037.2015.1080817

36 Source: BHPS.

37 Understanding Society Survey.

38 Quilgars, D., Johnsen, S., & Pleace, N. (2008). *Youth Homelessness in the UK: A Decade of Progress?* York: JRF; Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

39 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., & Watts, B. (2013) *The homelessness monitor: England 2013*. London: Crisis.

40 Bramley, G., & Fitzpatrick, S. (unpublished) *The Social Distribution of Homelessness: Impacts of Labour Markets, Housing Markets and Poverty in the UK*.

41 Department of Education (2015) *The Children Act 1989 Guidance and Regulations: Volume 3: Planning Transition to Adulthood for Care Leavers*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397649/CA1989_Transitions_guidance.pdf

42 Details of the areas in which Fair Chance programmes are underway can be found here <https://www.gov.uk/government/news/23-million-to-help-homeless-turn-around-their-lives>

43 See <https://www.gov.uk/government/news/government-expanding-support-to-beat-homelessness>

'Positive Youth Accommodation Pathway'⁴⁴ now informs the development of youth homelessness services in almost two thirds of local authorities in England.⁴⁵

This targeted policy attention may well explain why, despite young people's disproportionate exposure to unemployment, benefit cuts and sanctions (see below), and their especially vulnerable position in the housing market, youth homelessness appears not to have risen substantially in recent years.⁴⁶ Thus it was estimated that a total of 83,000 young people were in touch with homelessness services in the UK in 2013/14,⁴⁷ indicative of broad stability in levels of youth homelessness over the past decade.⁴⁸ In fact, there have been significant declines in levels of 'official' statutory youth homelessness in England since 2008/09, though it seems that this has been offset by increases in other forms of homelessness amongst young people. The decline in statutory homelessness is primarily attributed to the introduction of preventative 'Housing Options' approaches and the impact of the Southwark Judgement, but is also, more negatively, linked to unlawful 'gatekeeping' in some areas. A 40% increase in the number of 18-25 year olds sleeping rough in London since 2011/12 has also been a cause of particular concern,⁴⁹ albeit it should also be noted that the number of under 18s sleeping rough in London is consistently very low (only 9 such cases were recorded in the whole of 2014/15).⁵⁰

There must now be doubts about whether the 'line' can be held on youth

homelessness going forward. Certainly, there are widespread fears that the removal of Housing Benefit entitlement from 18-21 year olds from April 2017 (subject to specific exemptions) will lead to a significant rise in youth homelessness.⁵¹ Moreover, the Autumn Statement announcement that Housing Benefit for new tenants in the social housing sector will be capped to Local Housing Allowance rates will impact especially on young people as they will become subject to the much lower 'Shared Accommodation Rate' in both rental sectors (see further below). These welfare reforms are also occurring within a broader context of budget cuts that have led to reductions in targeted services for young people and families, including family support and education, training and employment programmes, as well as mainstream youth service provision, such as youth centres and youth worker outreach teams.⁵² It seems doubtful that even high quality specialist programmes will be able to counter the impacts of these major reductions in core supports for young people.

Economic and policy impacts on homelessness

At a national level, the UK economic recovery continued through 2014 and into 2015, albeit after the longest economic downturn for over a century. The recovery in Gross Domestic Product as a whole has also now reached the point that it matches the population growth over the period, so that Gross Domestic Product per capita has also now recovered

44 St Basils (2015) *Developing Positive Pathways to Adulthood: Supporting Young People on their Journey to Economic Independence and Success through Housing Advice, Options and Homelessness Prevention*. <http://www.stbasils.org.uk/how-we-help/positive-pathway/>.

45 Homeless Link (2015) *Young and Homeless 2015*. London: Homeless Link.

46 Ibid.

47 Clarke, A., Burgess, G., Morris, S., & Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. Cambridge: Cambridge Centre for Housing and Planning Research.

48 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

49 Authors' own analysis of CHAIN data.

50 Ibid.

51 Wilson, W. (2015) *Housing Benefit: Withdrawing Entitlement from 18-21 Year Olds*. Briefing Paper 06473. <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06473#fullreport>

52 Hastings, A., Bailey, N., Bramley, G., Gannon, M. & Watkins, D. (2015) *The Cost of the Cuts: The Impact on Local Government and Poorer Communities*. York: JRF; Unison (2014) *The UK's Youth Services: How Cuts are Removing Opportunities for Young People and Damaging their Lives*. London: Unison.

to 2007 levels. However, within the wider economic recovery earned incomes remain, in real terms, some way below 2007 levels, despite a modest return to positive wage growth in 2015. On the latest Office for Budget Responsibility forecast it will be 2019 before real earnings regain 2007 values.⁵³

There has been something of a housing market recovery since 2013, prompting media speculation about the risk of an unsustainable boom, and concerns about the possible inflationary impacts of the Government's Help to Buy schemes. However, average UK house prices only recovered to 2007 levels during 2015,⁵⁴ though within that wider picture there was a very strong recovery in the London housing market, with the London: UK differential widening to unprecedented levels.⁵⁵ While the Government announced a raft of new measures to support access to home ownership in the 2015 Autumn Statement, these will at best ameliorate rather than reverse the constraints on access for households lacking substantial savings – or parental help – to meet minimum deposit requirements.

The severity of overcrowding and the shortfall of supply is clearly a factor in the much sharper rise in London house prices compared to the rest of the UK. While there are welcome signs that rates of new house building increased in 2014/15, even allowing for the contribution from dwellings created through conversions and changes of use, the rate of new house building would need to increase by another third from the 2014/15 level (of 155,000) to just keep pace with 2012-based projections of new household

formation, let alone to reduce housing market pressures.⁵⁶

This will be challenging in a context of subdued and uncertain economic recovery, continuing constraints on the availability of mortgage finance, and uncertainty about the future capacity for additional new building by social landlords, particularly now in light of the Summer 2015 Budget proposals for reduce social sector rent reductions over the next four years, and the Office for National Statistics decision to reclassify housing associations as public corporations.⁵⁷ Both of these measures, as well as a sharply declining budget for new investment in light of the 2015 Autumn Statement announcement that effectively all Central Government capital subsidies will be switched to low cost home ownership towards the end of this Parliament,⁵⁸ will badly damage social landlords' ability to compensate for ongoing losses to the rental housing stock. While the extension of the Right to Buy to housing association tenants could result in additional funding for affordable rental house building, this will be offset within the sector both by the sitting tenant sales themselves, and the related requirement for disposal of high value local authority dwellings.

With respect to the implications for homelessness, the key concern is that the forced sale of high-value council houses, coupled with the long-term loss of properties via the Right to Buy, and reduced new build development, will further deplete social housing resources already under tremendous pressure. While the Government has stated ambitions for this diminished

53 OBR (2015) *Economic and Fiscal Outlook, November 2015*. London: The Stationery Office.

54 Lloyds Banking Group (2015) Halifax House Price Index September 2015, and related data series. www.Lloydsbankinggroup.com. The Halifax house price series is used as it is fully 'mix adjusted' and thus provides a like for like comparison of house prices over the years, and is not distorted by changes in the mix of dwellings sold in different years

55 Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015 Briefing Paper*. Coventry: CIH.

56 DCLG (2015) *Net Supply of Housing: 2014-15*. England. London: DCLG.

57 Tran, M. (2015) 'Majority of housing associations in England to be reclassified as public bodies', *Guardian*, 30th October: <http://www.theguardian.com/society/2015/oct/30/majority-of-housing-associations-in-england-to-be-reclassified-as-public-bodies>

58 Perry, J. (2015) 'Funding switch', *Inside Housing*, 25th November: <http://www.insidehousing.co.uk/funding-switch/7012929.article>

stock to be targeted on those in greatest need,⁵⁹ the interaction of their rent-setting and welfare policies runs directly counter to this aspiration.⁶⁰ In particular, the planned lowering of the total benefit cap to £23,000 in London and £20,000 elsewhere announced in the Summer 2015 Budget, means that there are concerns that families with more than two children may find both affordable rented *and* social rented housing, not only in London, but also in much of the rest of the country, beyond their means.⁶¹

More generally, especially in the South of England, local authorities and others have reported that concerns over welfare cuts among 'business' orientated housing associations are prompting growing resistance to accommodating low income benefit-dependent households.⁶² The relaxation of regulatory control being negotiated between Government and housing associations, in the context of both the voluntary Right to Buy deal and the Office for National Statistics reclassification, may well involve weakening local authority nomination rights, thus compounding difficulties in discharging statutory homelessness duties.⁶³

Even for those homeless or other vulnerable households who do manage to access social or affordable rented housing, it may increasingly be offered as a time-limited stopgap rather than a secure home, if Government plans to mandate the use of fixed-term tenancies in virtually all new

(general needs) council tenancies,⁶⁴ and possibly also in new housing association lettings,⁶⁵ are passed by Parliament. The Government's proposals to require council landlords to introduce 'Pay to Stay' measures for households with incomes above £30,000 (£40,000 in London)⁶⁶ can likewise be interpreted as a move towards a more minimalist and conditional 'welfarist' model of social housing along US or Australian lines.⁶⁷ This latter policy will, however, remain voluntary for housing associations in light of the apparently now larger imperative to 'deregulate' this sector and return it to the private sector.⁶⁸

Meanwhile, a whole gamut of welfare restrictions have made access to the private rented sector increasingly difficult for low income households in many areas. The Shared Accommodation Rate limits for single people aged under 35 have already had a marked impact in reducing their access to the private rented sector. The Local Housing Allowance caps have also seen a similar reduction in the capacity of all low income households to secure, or maintain, private rented sector tenancies in the high value areas of inner London. The impact of the overall benefit cap is set to increase fivefold with the advent of the lowered caps as noted above.

The impact of the 'Spare Room Subsidy limit' (widely known as the 'Bedroom Tax'⁶⁹) has been mitigated by the use of Discretionary Housing Payments, but there are concerns

59 DCLG (2010) *Local Decisions: A Fairer Future for Social Housing*. London: DCLG; see also Fitzpatrick, S. & Pawson, H. (2013) 'Ending security of tenure for social renters: transitioning to 'ambulance service' social housing?', *Housing Studies*, 29(5): 597-615.

60 Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015 Briefing Paper*. Coventry: CIH.

61 Peaker, G. (2015) 'The homelessness budget', *Nearly Legal*, 21st July: <http://nearlylegal.co.uk/2015/07/the-homelessness-budget/>

62 Clarke, A., Morris, S. & Williams, P. (2015) *How do Landlord's Address Poverty*. York: JRF.

63 Hilditch, S. (2015) 'Abandoning the poor (1)', *Red Brick*, 7th October: <https://redbrickblog.wordpress.com/2015/10/07/abandoning-the-poor-1/>

64 Apps, P. (2015) 'Lifetime tenancies are to be scrapped', *Inside Housing*, 9th December: <http://www.insidehousing.co.uk/policy/politics/central-government/lifetime-tenancies-are-to-be-scrapped/7013121.article>

65 Apps, P. (2015) 'Association lifetime tenancies decision delayed', *Inside Housing*, 11th December: <http://www.insidehousing.co.uk/business/tenancy/association-lifetime-tenancies-decision-delayed/7013167.article>

66 DCLG (2015) *Pay to Stay: Fairer Rents in Social Housing*. London: DCLG.

67 Fitzpatrick, S. & Pawson, H. (2013) 'Ending security of tenure for social renters: transitioning to 'ambulance service' social housing?', *Housing Studies*, 29(5): 597-615; Paris, C., Williams, P. & Stimson, B. (1985) 'From public housing to welfare housing?', *Australian Journal of Social Issues*, 20(2): 105-117.

68 Barnes, S. (2015) 'Large HAs plan to introduce Pay to Stay', *Inside Housing*, 17th December: <http://www.insidehousing.co.uk/policy/politics/central-government/large-has-plan-to-introduce-pay-to-stay/7013233.article>

69 Officially this measure is known as the 'Spare Room Subsidy limit', but outside of Government it is almost universally referred to as the 'Bedroom Tax'. While neither term is entirely satisfactory we have here bowed to the majority usage.

that this will be difficult to sustain given the reduction this year in the overall budget for these (though this does rise again in the later years of this Parliament). There are also growing concerns about the impact on household finances from the uneven support now provided by Council Tax Support schemes, and their interaction with the 'Bedroom Tax' and other welfare cuts that leave households needing to fund elements of their housing costs from the benefit incomes provided to meet their other basic living costs.

The impact of benefit sanctions on homeless people and those at risk of homelessness has become a core concern of local authorities and homelessness service providers, while the emergency welfare safety net has been substantially weakened by the localisation of the Social Fund and subsequent significant cuts to available funding for the optional replacement Local Welfare Assistance schemes.

We asked respondents to the 2015 local authority survey, conducted shortly after the end of the Coalition Government to reflect on whether 2010-2015 welfare reforms⁷⁰ had impacted on the level of homelessness in their area. In all, two thirds (67%) of local authorities in England reported that these changes had increased homelessness locally, with no respondents reporting that homelessness had consequentially decreased.

It was notable that negative effects of welfare reform on homelessness levels were much more likely to be reported in London (93%) than in the North of England (49%). Regional differentiation was also clearly apparent with respect to the perceived 'most significant' 2010-2015 welfare reform as regards exacerbating homelessness. Thus Northern

local authorities most commonly cited the extension of the Shared Accommodation Rate to 25-34 year olds (44%) and benefit sanctions (33%) as the primary welfare reform measures driving homelessness in their areas. In London, on the other hand, the maximum cap on Local Housing Allowance rates was far and away the most frequently identified welfare change with a deleterious effect on homelessness (reported by 69%).

Moreover, almost three quarters (73%) of local authorities surveyed in 2015 anticipated that the roll out of Universal Credit would further increase homelessness in their area. The most widespread concern related to the impact of altered direct rental payment arrangements on their already fragile access to the private rented sector to prevent or alleviate homelessness.

A further round of major welfare reforms and cuts were announced in the 2015 Summer Budget⁷¹ including: the removal of entitlement to housing support for most single people under 22, as noted above; Universal Credit allowances limited to support for two children for new claims after April 2017, with the 'family element' also removed from tax credit and Universal Credit allowances for all new families after that date; income thresholds for Universal Credit reduced by cuts to the levels of the 'work allowance', alongside the lowering of the benefit caps noted above; and, crucially, benefit rates (including Local Housing Allowance rates) frozen for four years from 2016/17. Against all these changes, the Great Britain budget provision for Discretionary Housing Payments will rise from £125 million this year to an average of £160 million over each of the next five years.

However, following widespread criticism, and having been rejected by the House of

⁷⁰ Participants were asked to refer to a list of the main reforms including: the Local Housing Allowance cap, other changes to Local Housing Allowance rules, extension of Shared Accommodation Rate to single 25-34 years olds, 'Bedroom Tax', total benefit cap, Jobseeker's and Employment and Support Allowance sanctions, reforms to Council Tax support, replacement of Social Fund with Local Welfare Assistance.

⁷¹ HM Treasury (2015) *Summer Budget 2015*. London: HM Treasury.

Lords, proposals to make further substantial reductions to tax credits were dropped in the Autumn Statement. This will still leave the cutbacks in Universal Credits in place, and undermine the argument that the new regime will improve work incentives. A further reform announced in the 2015 Autumn Statement noted above is the extension of Local Housing Allowance rates to social sector tenants, affecting particularly young single people, as the very low Shared Accommodation Rates will in many areas be below social sector rents for one bedroom dwellings.

The 2015 local authority survey was conducted after the Summer Budget but ahead of the Autumn Statement. We asked local authorities how they expected Summer Budget changes to impact on homelessness amongst a range of household types in their area. With respect to almost all household types, most respondents anticipated that these welfare changes would further exacerbate homelessness pressures. Concerns were particularly widely shared in relation to the impacts on large families. 93 per cent of local authorities thought homelessness would increase amongst this group as a direct result of the reforms. 86 per cent of local authorities believed that single 18-21s would face increased homelessness. In light of all this, respondents largely viewed expanded Discretionary Housing Payment budgets, while welcome and necessary, as an inadequate ‘sticking plaster’, that cannot in any case be used to assist under 22s who will no longer have any level of entitlement to help with housing costs.

A specific concern of many key informants this year related to the impact of the one per cent cut in social rents on supported accommodation, and also the extension of the Local Housing Allowance Rate caps to

the social rented sector; both moves, and especially the latter, have been argued as calling into question the viability of many supported accommodation services if this subsector is not excluded.⁷² The Autumn Statement further heralded a significant change in the way that temporary accommodation for homeless people will be funded, with an upfront allocation given to all councils rather than an additional ‘management fee’ recouped via Housing Benefit. While the details of this had not been spelled out at the time of writing, moving from a demand-led system to a fixed-budget one may have implications for local authorities’ ability to respond to fluctuating requirements for temporary accommodation.⁷³

Conclusion

The UK economy has now regained pre-recession output levels, but as we have argued in previous Monitors, policy factors – especially with regard to social security – have a more direct bearing on the incidence of homelessness than the economy in and of itself.

Thus, with recent policy decisions leaving major question marks hanging over the future supply of, and access to, social and affordable rented housing, coupled with deep cuts in welfare that are making access to both rental sectors increasingly difficult for low income households, the question “*who will house the poorest?*” is becoming an increasingly urgent one. Massive reductions in ‘Supporting People’ and other relevant sources of revenue funding at local level also casts a long shadow over future prospects for homelessness amongst those with additional support needs.

The evidence provided by the homelessness monitor over the coming years will provide a powerful platform for assessing the impact of economic and policy change on some of the

72 Sinclair, H. (2015) ‘Supporting services’, *Inside Housing*, 30th November: <http://www.insidehousing.co.uk/supporting-services/7012978.article>
73 Perry, J. (2015) ‘Funding switch’, *Inside Housing*, 25th November: <http://www.insidehousing.co.uk/funding-switch/7012929.article>

most vulnerable people in England. As well as continuing to track the headline trends in both visible and hidden forms of homelessness, we will provide an overview of the profile of those affected, and the changing geography of homelessness in England, and how this evolves over the course of the time in office of the current Conservative Government till 2020.

1. Introduction

1.1 Introduction

This study provides an independent analysis of the homelessness impacts of recent economic and policy developments in England. It considers both the consequences of the post-2007 economic and housing market recession, and the subsequent recovery, and also the impact of policy changes implemented under the Conservative-Liberal Coalition Government (2010-2015) and the Conservative Government elected in May 2015.

This fifth year 'update' report provides an account of how homelessness stands in England in 2016 (or as close to 2016 as data availability will allow), and analyses key trends in the period running up to 2016. This year's report focuses in particular on what has changed over the past year, though we also offer some conclusions on the overall impacts of Coalition Government policies during their five years in office. Readers who would like a fuller account of the recent history of homelessness in England should consult with the previous homelessness monitors for England, which are available on Crisis's website.⁷⁴ Parallel homelessness monitors are being published for other parts of the UK.

1.2 Definition of homelessness

A wide definition of homelessness is adopted in this study, and we consider the impacts of relevant policy and economic changes on all of the following homeless groups:

- People sleeping rough.
- Single homeless people living in hostels, shelters and temporary supported accommodation.

- Statutorily homeless households – that is, households who seek housing assistance from local authorities (LAs) on grounds of being currently or imminently without accommodation.
- 'Hidden homeless' households – that is, people who may be considered homeless but whose situation is not 'visible' either on the streets or in official statistics. Classic examples would include households living in severely overcrowded conditions, squatters, people 'sofa-surfing' around friends' or relatives' houses, those involuntarily sharing with other households on a long-term basis, and people sleeping rough in hidden locations. By its very nature, it is difficult to assess the scale and trends in hidden homelessness, but some particular elements of hidden homelessness are amenable to statistical analysis and it is these elements that are focused upon in this study. This includes 'overcrowded' households, and also 'concealed' households and 'sharing' households
- Cutting across all of these categories, in this year's Monitor we pay particular attention to youth homelessness, given the profound impact of current welfare and housing policy developments on low income under 25s, and especially on those aged under 22 years old.

1.3 Research methods

Four main methods have been employed in this longitudinal study:

- First, relevant literature, legal and policy documents are reviewed each year.

- Second, we undertake annual interviews with a sample of key informants from the statutory and voluntary sectors across England. The current sample of 14 key informants includes representatives of homelessness and housing advice service providers, as well as other stakeholders with a national overview of relevant areas of policy and practice in England.
- Third, we undertake detailed statistical analysis on a) relevant economic and social trends in England; and b) the scale, nature and trends in homelessness amongst the four sub-groups noted above.
- Fourth, for the second year in a row we have conducted a bespoke online survey of England's 326 local authorities (in August/September 2015). The aim of this survey was to delve beneath the official statistics to enhance understanding of how housing market trends, welfare reforms and other key policy developments have impacted on homelessness trends and responses at local level. An e-mail invitation to participate in the survey was sent to local authority homelessness contacts via the National Practitioner Support Service (NPSS), and 47 per cent of all local authorities in England responded and 55% in London. See Appendix 1 for details.

1.4 Causation and homelessness

All of the homelessness monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.⁷⁵

Theoretical, historical and international perspectives indicate that the causation of homelessness is complex, with no single 'trigger' that is either 'necessary'

or 'sufficient' for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, suggests that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors.

The individual vulnerabilities, support needs and 'risk taking' behaviours implicated in some people's homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the 'anchor' social relationships which can act as a primary 'buffer' to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic conditions in England could also be expected to generate more 'individual' and 'interpersonal' vulnerabilities to homelessness over time.

That said, most key informants consulted for the various homelessness monitors we have conducted since 2011 have maintained that policy factors – and in particular welfare reform – have a far more profound impact on homelessness trends than the economic context in and of itself. This remains the case in this current English Monitor.

⁷⁵ For a more detailed account of this conceptual framework please consult with Chapter 2 in the first homelessness monitor: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The homelessness monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis.

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of housing market developments for homelessness. Chapter 3 shifts focus to the Government's welfare and housing reform agenda and its likely homelessness impacts. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in homelessness in England, focusing on the four sub-groups noted above, but also includes a particular focus on young homeless people this year in light of the particular effects of welfare reform on this group. All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2015, and from the statistical and qualitative information gleaned from this year's online survey of local authorities. In Chapter 5 we summarise the main findings of this update report.

2. Economic factors that may impact on homelessness in England

2.1 Introduction

This chapter reviews recent economic developments in England, and analyses their potential impact on homelessness. In Chapter 4, we assess whether the anticipated economic impacts identified in this chapter, and the potential policy impacts highlighted in the next chapter, are borne out in national and regional homelessness trends.

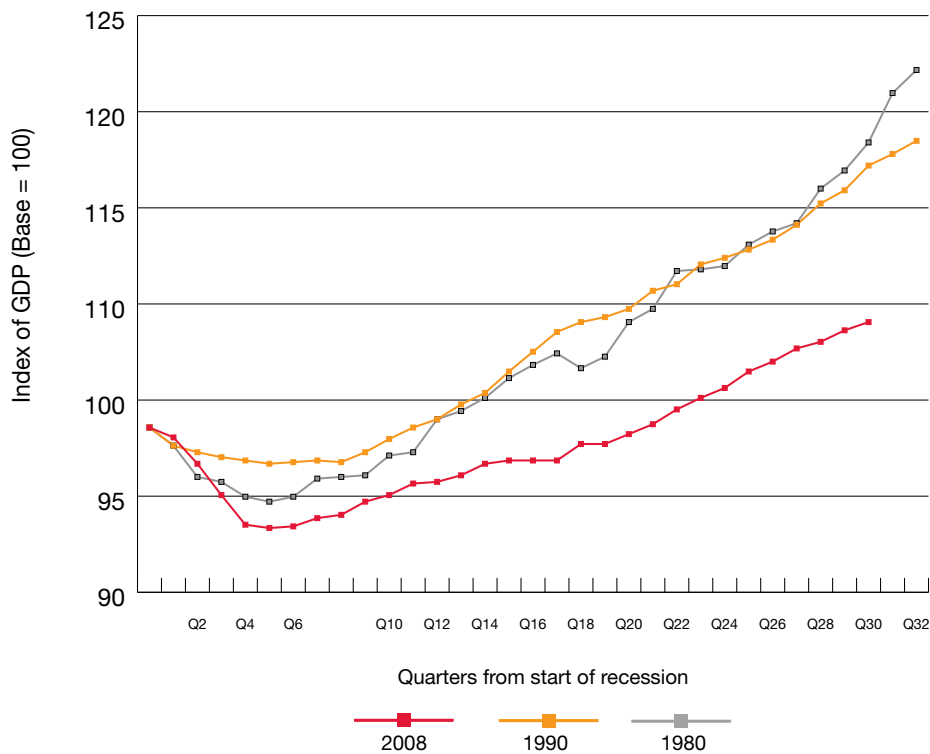
2.2 The economic and housing market context

Revised data now shows that the UK economic recovery continued through 2014 and into 2015, albeit after the longest

economic downturn for over a century. The recovery in GDP as a whole has also now reached the point that it matches the population growth over the period, so that GDP per capita has also now recovered to 2007 levels. Looking ahead there remain considerable uncertainties, especially about the impact of the economic downturn in China and the continuing fragility of some European economies, sufficient for some forecasters to question the reliability of the forecast for modest levels of economic recovery in the next few years.

However, within the wider economic recovery earned incomes remain, in real terms, some way below 2007 levels, despite a modest

Figure 2.1 Gradual UK economic recovery continues



Source: Computed from ONS Quarterly GDP data (ABMI)

76 Computed from ASHE provisional full time earnings figures for England in 2015, and mid year CPI figures for 2015, and equivalent full year figures from 2007. All data from the Office for National Statistics (ONS). Earnings growth in 2015 was still marginally below the RPI measure of inflation.

return to positive wage growth in 2015 (at least when measured against the Consumer Price Index (CPI)).⁷⁶ On the latest Office for Budget Responsibility (OBR) forecast it will be 2019 before real earnings return to their 2007 levels (using the CPI measure of inflation).⁷⁷

The latest OBR forecast is for economic growth of 2.4 per cent in 2015 and 2016, easing up to 2.5 per cent in 2017, and then back to 2.4 per cent in 2018, and 2.3 per cent in the years to 2020. Alongside that growth, unemployment is forecast to gradually fall to 5.2 per cent in 2016 and 2017, before rising a little to 5.4 per cent by 2019 and 2020. The claimant count is also expected to fall to below 0.8 million in 2016, before gradually rising to 0.88 million in 2020.

The level of economic growth in the medium term will continue to be constrained by the government's austerity measures, albeit that the Spending Review and Autumn Statement did soften the extent of planned spending cuts, both in response to House of Lords and other widespread opposition to planned tax credit cuts, and on the back of higher government income forecasts by the OBR. Nonetheless total government spending is forecast to fall to 36.4 per cent of GDP by 2020/21 (from 39.7 per cent in 2015/16), with the government returning to a net annual fiscal surplus in 2019/20.⁷⁸

If the government spending cuts are less severe than planned in the Summer Budget, there remain many areas where the remaining cuts will be challenging, and have particular implications for housing and homeless services. The remaining plans for welfare cuts, after the abandonment of the short term proposals for tax credit cuts, are discussed in Chapter 3 below.

There has been something of a housing market recovery since 2013, and there has been media speculation about the possibility of an unsustainable boom, and concerns about the possible inflationary impacts of the government's Help to Buy schemes. However, average UK house prices only recovered to 2007 levels during 2015, and even then prices in Scotland, Wales, Northern Ireland and the northern regions of England (and the West Midlands) still remained lower than in 2007.⁷⁹ Within that wider picture there was a very strong recovery in London house prices, with the differential between London and UK house prices widening to unprecedented levels.⁸⁰

But once the post 2007 fall in interest rates, and modest levels of (cash) earnings growth, have been taken into account, it can be seen that typical mortgage costs for first time buyers as a percentage of average earnings were in mid 2015 at the same levels that prevailed in the early 2000s, and down by a third against 2007 levels (see Figure 2.2).

Moreover, it should be noted that this data still tends to overstate the affordability issues for would be first time buyers at any point in time, as a high proportion of first time buyers are couples with two incomes rather than one. Against that, the data in Figure 2.2 also assumes an average 20 per cent deposit throughout the period, based on the long-term average for first time buyers.

Outturn data has also shown that the fears expressed about the impact of the Government's Help to Buy measures announced in the 2013 Budget have also been greatly exaggerated. In 2014 just 3% of all mortgage advances involved a deposit of less than 10 per cent, and in the first half of

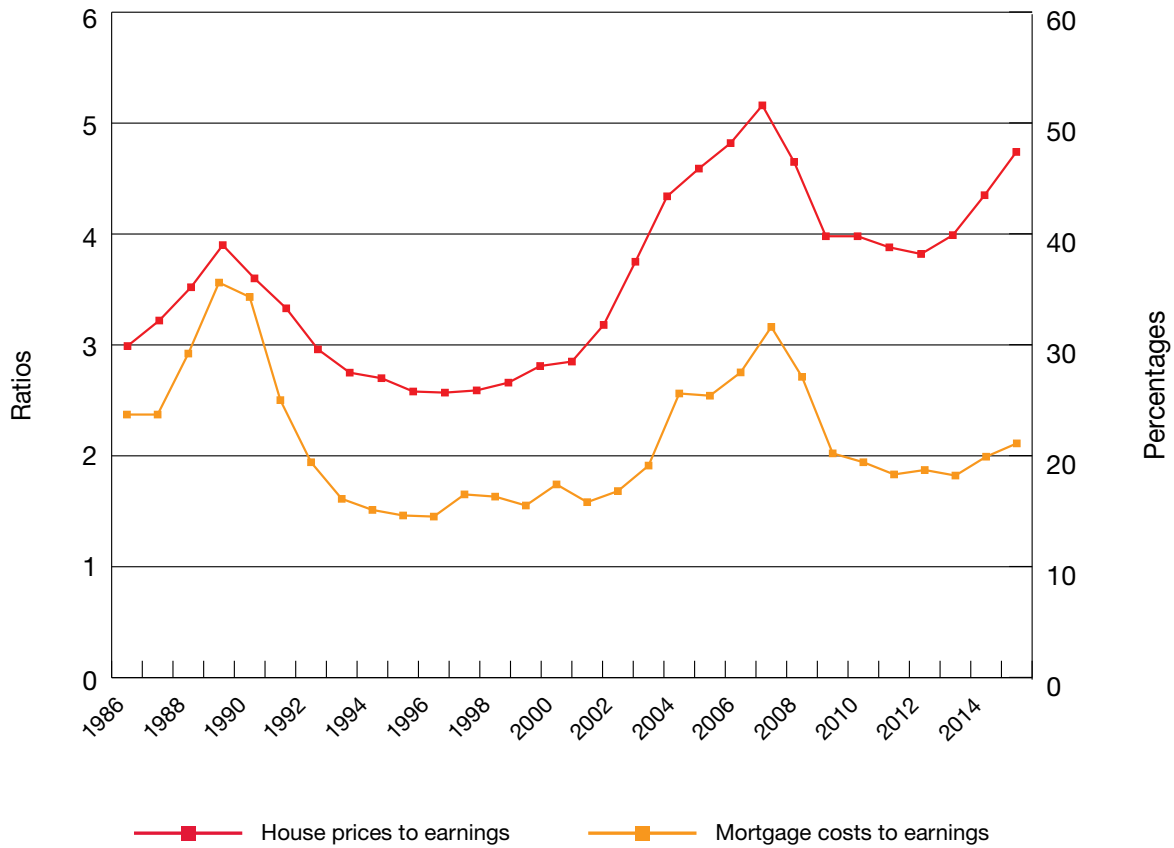
⁷⁷ OBR (2015) *Economic and Fiscal Outlook*, November 2015. London: The Stationery Office.

⁷⁸ HM Treasury (2015) *Spending Review and Autumn Statement 2015*, November 2015, Cm 9162. London: The Stationery Office.

⁷⁹ Lloyds Banking Group (2015) *Halifax House Price Index September 2015*, and related data series. www.Lloydsbankinggroup.com. The Halifax house price series is used as it is fully 'mix adjusted' and thus provides a like for like comparison of house prices over the years, and is not distorted by changes in the mix of dwellings sold in different years.

⁸⁰ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015* Briefing Paper. Coventry: CIH.

Figure 2.2 Housing market affordability in the UK



Source: All full time earnings and Halifax mix adjusted first time buyer prices.

2015 the proportion fell to only just over 2 per cent,⁸¹ leaving the supply of mortgage finance for households with only a limited deposit far more constrained than at any time over the last three decades. While the Government announced a raft of new measures to support access to home ownership in the Autumn Statement they will at best ameliorate rather than reverse the constraints on access for households without substantial savings – or parental help – to meet minimum deposit requirements. A more fundamental concern is about the shortfall in the levels of new house building relative to levels of household formation,

in a context where there are already substantial numbers of ‘concealed’ and ‘sharing’ households, and severe levels of overcrowding in London in particular (see Chapter 4 below). The severity of overcrowding and the shortfall of supply is clearly a factor in the much sharper rise in London house prices compared to the rest of the UK.

The latest 2012 based household projections for England suggest that household numbers will grow at an average rate of 220,000 a year over the decade to 2021.⁸² Moreover, more recent population projections suggest

81 Financial Conduct Authority (2015) Mortgage Lending and Administration Return Statistics. <https://www.fca.org.uk/firms/systems-reporting/mortgage-lending-stats>

82 DCLG (2015) Net2012-based Household Projections: England, 2012 – 2037. London: DCLG.

that the next set of household projections will involve some upward revision from the 2012 based projections.⁸³

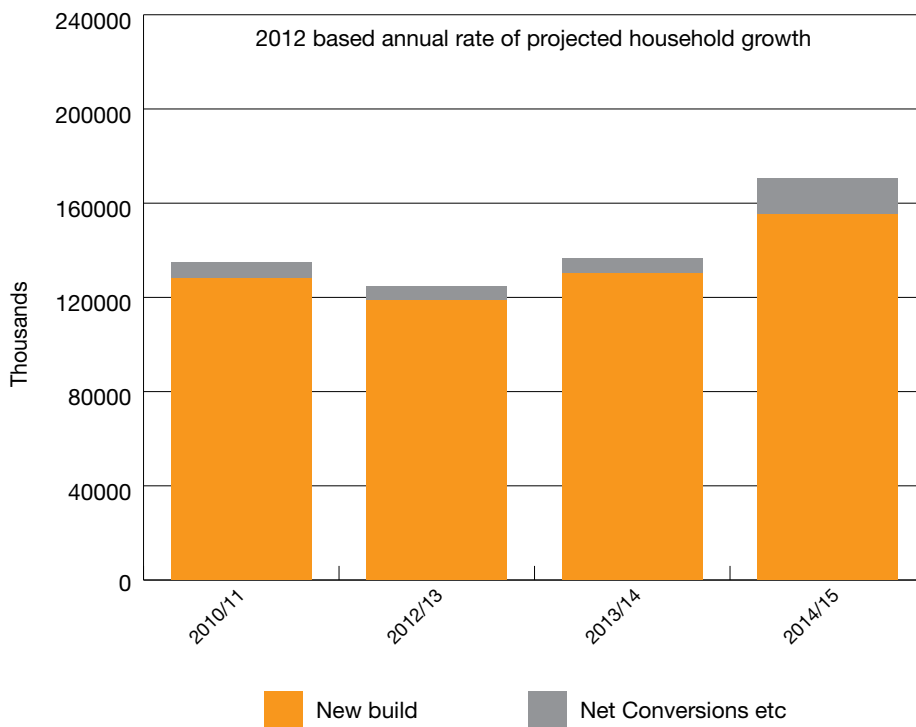
While there are welcome signs that rates of new house building increased in 2014/15, even allowing for the contribution from dwellings created through conversions and changes of use, the rate of new house building would need to increase by another third from the 2014/15 level (of 155,000) to just keep pace with 2012 based projections of new household formation, let alone to reduce housing market pressures.⁸⁴

This will be challenging in a context of subdued and uncertain economic recovery, continuing constraints on the availability of

mortgage finance, and uncertainty about the future capacity for additional new building by social landlords, particularly now in light of the Summer 2015 Budget proposals to reduce social sector rents over the next four years, and the Office for National Statistics (ONS) decision to reclassify housing associations as public corporations. Both these measures, as well as a sharply declining budget for new investment in affordable rental housing, will lead to a marked decline in the extent to which social landlords will be able to make any future additions to the rental housing stock.

While the extension of the Right to Buy (RTB) to the housing association could result in additional funding for new building of

Figure 2.3 House building needs to rise sharply to match projected household growth



Source: Net supply of housing: 2014-15, England DCLG. Net conversions etc includes net impacts of changes of use and demolitions of residential dwellings.

⁸³ ONS (2015) National Population Projections, 2014-based Statistical Bulletin. <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2014-based-projections/stb-npp-2014-based-projections.html>

⁸⁴ DCLG (2015) Net Supply of Housing: 2014-15. England. London: DCLG.

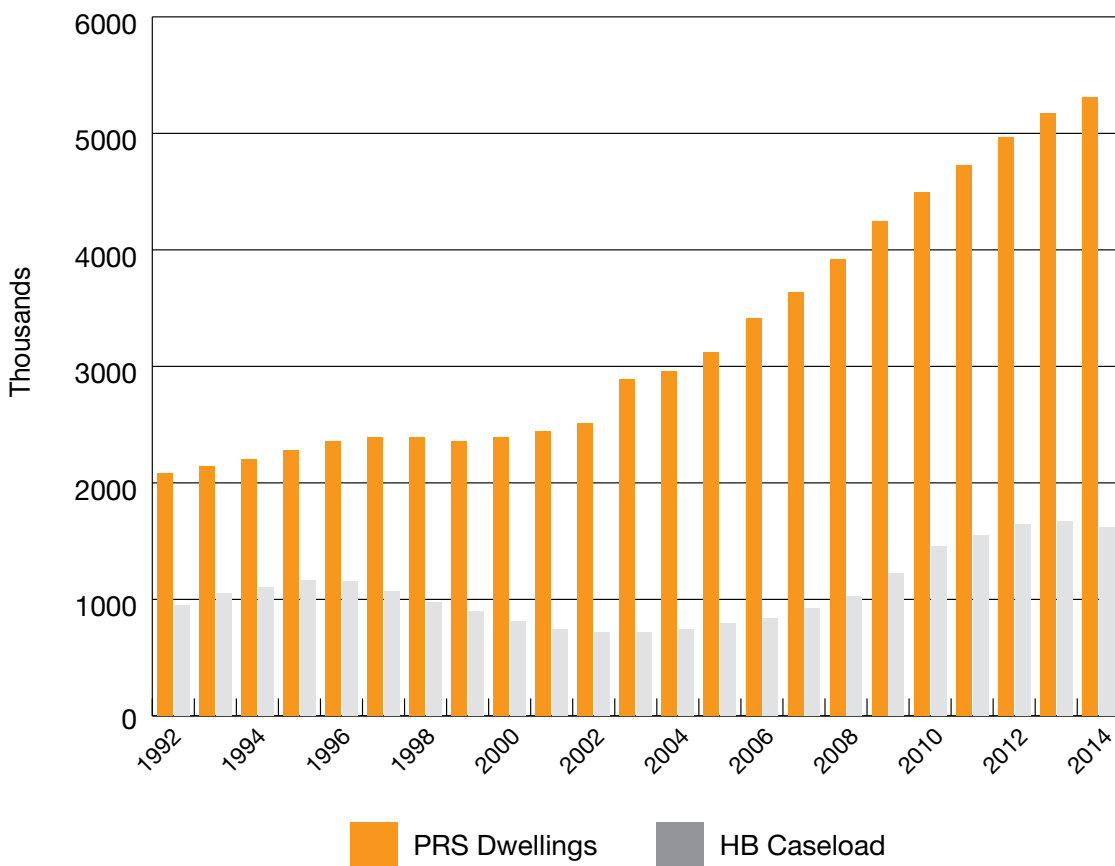
affordable rent (AR) dwellings, this would be offset within the sector both by the RTB sales and the related requirement for sales of high value dwellings by local authorities. However, these outline proposals have still not been fleshed out by the Government, and at this stage a voluntary RTB regime is proposed to be trialed by five housing associations. Whatever the outcome, it will be some time before it could begin to have any potential impact in generating new investment resources.

It is in this context that the Autumn Statement announced a variety of plans to promote the increased supply of new housing, particularly for home owners.⁸⁵ Those plans include

200,000 starter homes, and 135,000 shared ownership homes to be started by 2020/21, supported by a £2.3 billion fund and the removal of Section 106 requirements for affordable housing to be provided as part of the planning requirements for land released for new housing. There are also plans to sell public sector land sufficient to support 160,000 new homes over the same period, as well as a range of smaller initiatives. However, it remains to be seen how far these plans will succeed in increasing the supply of new market housing, and the extent to which it will offset the decline in the provision of new social sector rented housing.

Those same pressures, however, are likely to

Figure 2.4 Growth of private rented sector



Source: Data for Great Britain (estimated HB figure for stock data 2008). DCLG for stock data. DWP website for HB data.

85 HM Treasury (2015) Spending Review and Autumn Statement 2015, November 2015, Cm 9162. London: The Stationery Office.

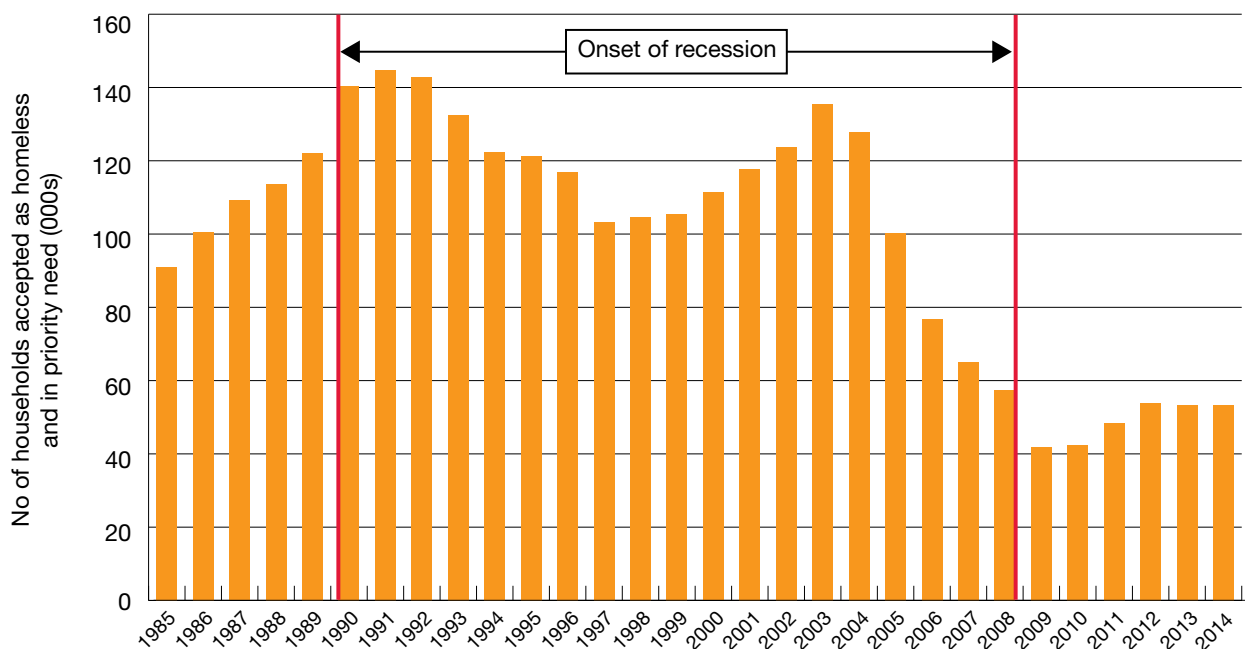
sustain the continued growth of the private rented sector (PRS) (see Figure 2.4), which is now larger than the social rented sector in England. While the Help to Buy measures should assist some households to switch from private renting to home ownership, as indicated above, low deposit mortgages will still be far less readily available than over previous decades. Private investors also have a significant market advantage in being able purchase dwellings with buy to let (BTL) mortgages, that typically only require interest payments to be covered, while in the regulated market for home owner mortgages, more expensive mortgages with some form of provision for capital repayment are now almost universally required.

This market advantage has, however, now been partly offset by the Summer 2015 Budget decision to restrict mortgage

interest tax relief for landlords to the basic rate of income tax, followed by the Autumn Statement decision to increase Stamp Duty for BTL (and second home) purchasers by 3% from April 2016. Nonetheless new BTL mortgage lending for new purchases has grown markedly in the year to September 2015 (by 27%), and much more rapidly than lending to first time buyers, which grew by just six per cent over the same period.⁸⁶ It should also be noted that most of the growth in the PRS is from the purchase of existing dwellings that were previously owner occupied. Very little of the sector growth is based on the purchase of new build dwellings – less than ten per cent according to a DCLG survey.⁸⁷

Within that wider picture the potential role of the growing PRS in providing for lower income households remains in question as the welfare

Figure 2.5 Homelessness acceptances, 1985-2014



Source: DCLG Homelessness Statistics

⁸⁶ Council of Mortgage Lenders (2015) 'Mortgage Advances pick up in the third quarter', Council of Mortgage Lenders press release, 11th November: <https://www.cml.org.uk/news/press-releases/septembersecond-quarter-press-release/>

⁸⁷ DCLG (2011) Private Landlords Survey 2010. London: DCLG.

reforms affecting private tenants take effect. Those reforms are discussed in Chapter 3 below.

2.3 The homelessness implications of the economic and housing market context

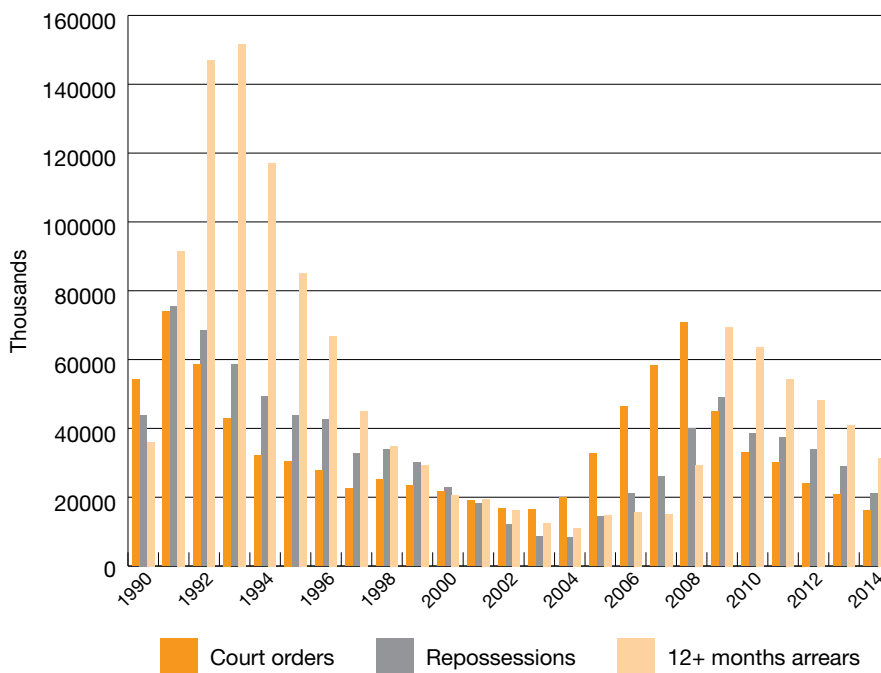
Housing market conditions tend to have a more direct impact on homelessness than labour market conditions⁸⁸ and the last major housing market recession (1990) actually *reduced* statutory homelessness because it eased access to home ownership, which in turn freed up additional social and private lets (see Figure 2.5).

However, as noted in previous Monitors, we anticipated no such benign impact of the housing market downturn in the most recent recession, given the now much lower level of lettings available in the social rented sector (due to the long-term impact

of the RTB and continued low levels of new supply) and the continuing constraints on mortgage availability (notwithstanding Help to Buy) that are placing increasing pressure on the rental sectors. In fact, statutory homelessness acceptances did start to rise from 2010, although they now seem to have plateaued (see Figure 2.5). This levelling out in statutory homelessness in the most recent period is likely to owe more to policy and administrative developments than to housing market trends, as is discussed in Chapter 4.

There was a minor recovery in housing association lettings seen in 2010/11 and 2011/12 partly resulted from the new supply brought onstream through the economic stimulus boost injected by Government in 2008-10. However, the positive effect, while lagged, was modest and partly offset by a further decline in levels of local authority lettings. There was then a sharp drop in the

Figure 2.6 Arrears and repossessions fall back after remaining well below previous peak levels



Source: UK Housing Review Tables 51 & 53. Mortgage arrears and repossession figures are for the UK; court order figures are for England and Wales.

88 Stephens, M., Fitzpatrick, S., Elsinga, M., Steen, G.V. & Chzhen, Y. (2010) Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision. Brussels: European Commission.

new supply of social sector rented dwellings in 2012/13, followed by a partial recovery in 2013/14. 2014/15 then saw a further marked increase in the new supply of social and affordable rented dwellings – to the highest level for over twenty years (50,300 –19,600 more than 2013/14). The sharp increase in new supply did not have a similar impact on the numbers of lettings to new tenants. Total lettings of social and affordable housing to new tenants (ie excluding transfers of existing tenants) rose by less than a thousand in 2014/15.⁸⁹

As Chapter 4 discusses, mortgage repossessions continue to account for only a very small proportion of all statutory homelessness cases (just 1%). This is in part because the combined impact of low interest rates and lender forbearance has thus far held down both levels of the mortgage arrears, and the numbers of arrears cases resulting in repossession, since the 2007 downturn (see Figure 2.6). There is a continuing risk, however, that mortgage repossessions could increase if and when higher interest rates begin to bear down on marginal homeowners, given the continuing limitations of the home owner safety net. Lender forbearance will be further tested by the government's proposal to reform the current Support for Mortgage Interest scheme, so that (from April 2018) any support payments become recoverable, and a charge on the property.

Our qualitative evidence to date⁹⁰ would indicate that most repossessed households manage to find at least an interim solution via family or friends, or by securing a private tenancy. Advice sector key informants comment that the outcomes from possessions cases tend

to be that people will end up in the PRS rather than homeless, while local authority key informants have consistently noted the low numbers of such households on their caseload. This suggests that if an upsurge in mortgage possessions does occur, it is unlikely to have a significant impact on statutory homelessness levels (see also Chapter 4), far less rates of street homelessness. In this regard, it is worth bearing in mind that, even at the peak of the last possessions crisis in the early 1990s, mortgage arrears never accounted for more than 12 per cent of homelessness acceptances in England.

Unlike mortgage arrears, rent arrears levels and associated evictions do not appear closely tied to general economic or housing market conditions, with both falling in the recent recession.⁹¹ While there is clear evidence that the 'Bedroom Tax'⁹² and other welfare reforms have resulted in rent arrears for many of the impacted households (see Chapter 3), in overall terms there has been no increase in levels of current tenant rent arrears, not least due to the level of preventative and welfare measures adopted by social landlords in anticipation of those measures.⁹³ There was, however, a marked upturn in levels of social landlord possession actions in England and Wales in 2013 (see Figure 2.7), although they eased back a little in 2014, and through the first three-quarters of 2015. That one off upturn in possession actions will have also contributed to the lowering of rent arrears among the remaining current tenants. Their arrears stood at 3.5 per cent at the end of September 2015, down from just over 4.0 per cent two years earlier.

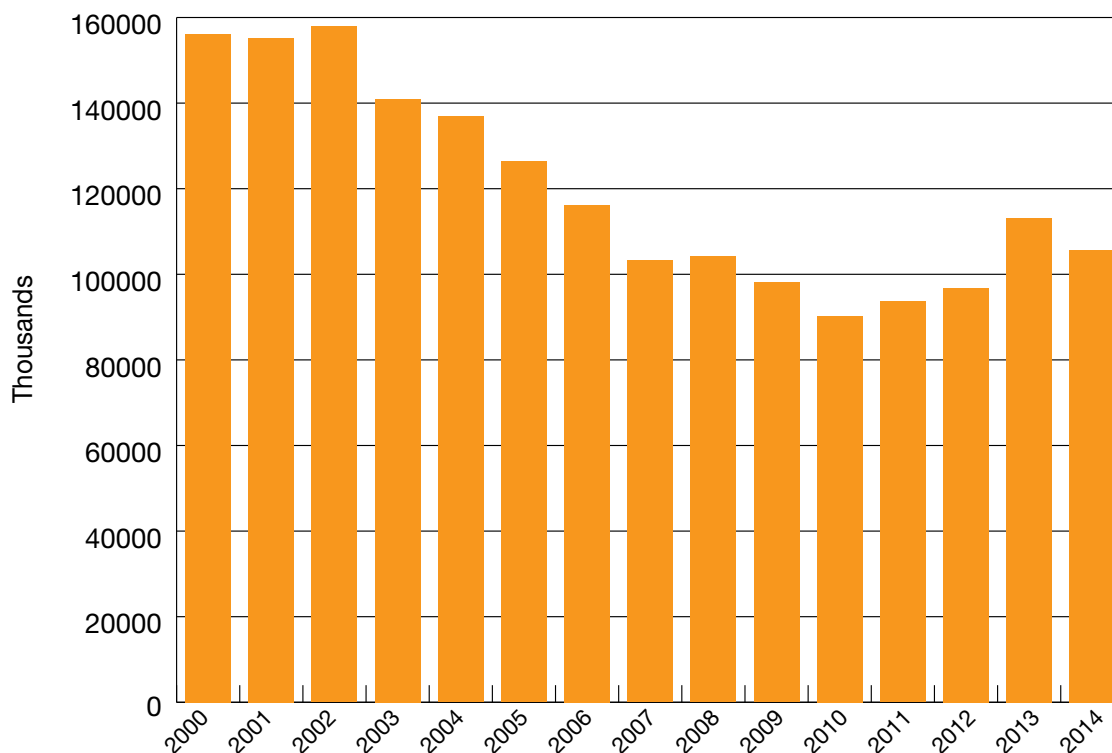
⁸⁹ DCLG (2015), *Affordable Housing Supply: April 2014 to March 2015 England*. Statistical Release. London: DCLG; DCLG (2015) *Social Housing Lettings: April 2014 to March 2015, England*. Statistical Release. London: DCLG.

⁹⁰ See all the previous Monitors: <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

⁹¹ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The homelessness monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis; Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The homelessness monitor: England 2012*. London: Crisis.

⁹² Officially this measure is known as the 'Spare Room Subsidy limit', but outside of Government it is almost universally referred to as the 'Bedroom Tax'. While neither term is entirely satisfactory we have here bowed to the majority usage.

⁹³ HCA (2015) *Quarterly Survey of Private Registered Providers, 2015/16 Quarter 2*. London: HCA.

Figure 2.7 Social landlord possessions, 2014

Source: Court orders (orders made) for social landlords in England and Wales.

The PRS is evidently now extremely important as both a solution to homelessness (by absorbing some of those who might otherwise become homeless), but also as a primary cause of homelessness (ending of fixed-term tenancies is now the single largest reason for loss of last settled accommodation amongst statutorily homeless households, see Chapter 4). The capacity of the PRS to house those who are homeless and/or on low incomes is heavily dependent on welfare policies, and in particular Housing Benefit (HB) arrangements. Growing housing market pressure, coupled in some case with welfare reform restrictions, was viewed by our online local authority (LA) respondents as accounting for a recently rising tide of homeless applicants displaced from private rental housing (see Chapters 4). The relevant welfare reforms are discussed in the next chapter.

2.4 Key points

- The UK economy has now recovered to pre-credit crunch levels. However while unemployment is falling, average real earnings have also fallen, and remain some way below 2007 levels. Policy factors – particularly ongoing welfare benefit cuts – are likely to have a more direct bearing on levels of homelessness than the economic context in and of itself.
- The last major housing market recession helped to reduce homelessness because it improved affordability in the owner occupied sector, which in turn freed up additional social and private lets. However, there has been no such benign impact of this recent housing market recession as levels of lettings available in the social rented sector are now much lower, and

continuing constraints on mortgage availability (notwithstanding Help To Buy) put pressure on both of the rental sectors.

- Mortgage and rent arrears continue to account for only a very small proportion of statutory homelessness cases. Even if mortgage repossessions start to rise as a result of anticipated higher interest rates, qualitative evidence suggests that most repossessed households will manage to find at least an interim solution via family or friends, or by securing a private tenancy.
- While, despite the impact of the 'Bedroom Tax' and other welfare reform measures, there has been no overall rise in levels of social landlord rent arrears, there was an upturn in social landlord possession actions in 2013, although they have subsequently eased back a little in 2014 and into 2015. There are nonetheless concerns that arrears and landlord possession actions could rise going forward, as the sustainability of current mitigation efforts are increasingly tested, and as a potential result of the further planned welfare reforms discussed in the following chapter.
- While there has been some housing market recovery, especially in London, this has been greatly exaggerated in media coverage. Across the UK as a whole, house prices have only now recovered to pre-crisis levels, and with lower interest rates and modest levels of earnings growth, mortgage affordability pressures outside London are well below the 2007 peak levels. Only in London are affordability pressures now greater than they were in 2007. But looking ahead housing market pressures are set to grow as new house building rates remain considerably below projected levels of household formation.
- The capacity of the social rented sector to meet housing needs will be increasingly tested in the years ahead, both as a result of the welfare reforms discussed in the next chapter, but also the sharp future cut backs in both revenue and capital funding to support investment in new affordable rented housing.
- The PRS is now the largest rental sector in England and is increasingly important as both a solution to homelessness (by absorbing some of those who might otherwise become homeless) and also as a cause of homelessness (with loss of private tenancies now the single largest reason for statutory homeless acceptances). The ability of the PRS to house those who are homeless and/or on low incomes is heavily dependent on Housing Benefit and is therefore fundamentally constrained and structured by the government's welfare reforms.

3. Government policies potentially impacting on homelessness in England

3.1 Introduction

Chapter 2 considered the homelessness implications of the post-2007 economic downturn and subsequent recovery. This chapter now turns to review policy developments under the Coalition and Conservative Governments that might be expected to affect homeless people and those vulnerable to homelessness, particularly in the fields of housing, homelessness, and welfare reform. In Chapter 4 we assess whether the potential policy impacts highlighted in this chapter are evident in trends in national datasets.

3.2 Housing policies, homelessness policies and the 'localism' agenda

We have argued in previous Monitors that the Localism Act (2011), together with the Coalition Government's broader welfare reform agenda, served to undermine core aspects of the national 'housing settlement' in the UK, which has historically played an important role in moderating the impact of the UK's relatively high poverty levels.⁹⁴ Developments in both housing and welfare policy since the election of the current Conservative Government, in May 2015, have served to intensify and accelerate these processes of change, with concerning implications for homelessness. The significant reforms to Housing Benefit and other aspects of welfare are discussed in the next section. Here we consider the potential impacts of changes to social housing and statutory homelessness policies, as well as developments on policies pertaining to single

homeless people and rough sleepers, and to young homeless people.

Social housing

As Becky Tunstall and colleagues have commented:

"Social housing [in the UK] is highly targeted on people with low incomes and has been shown to be the most 'pro-poor' and redistributive major aspect of the entire welfare state."⁹⁵

We argued in last year's Monitor that the move towards fixed-term flexible tenancies (FTTs) in social housing introduced by the Localism Act 2011, and the introduction of Affordable Rent (AR) of up to 80 per cent of market levels, would in time weaken the sector's safety net function, and may also impact negatively on community stability and work incentives.⁹⁶

These policy shifts are now moving apace. Government investment in AR has now almost totally replaced spending on new social rented stock,⁹⁷ and nearly a quarter (23%) of all general needs lettings by housing associations now on an AR basis. The policy may be short-lived in the light of the recent decision to shift subsidy towards low cost home ownership (see below). In the context of intensifying welfare cuts, especially the planned lowering of the total benefit cap to £23,000 in London and £20,000 outside of the capital (see Section 3.3 below), there are concerns that families with more than two children may find both AR *and* social rented housing, not only in London, but also in much of the rest of the country, beyond their means.⁹⁸ When

⁹⁴ See Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The homelessness monitor: England 2013*. London: Crisis/JRF.

⁹⁵ p2 in Tunstall, R., Bevan, M., Bradshaw, J., Croucher, K., Duffy, S., Hunter, C., Jones, A., Rugg, J., Wallace, A. & Wilcox, S. (2013) *The Links Between Housing and Poverty*. York: JRF.

⁹⁶ See Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF.

⁹⁷ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

⁹⁸ Peaker, G. (2015) 'The homelessness budget', *Nearly Legal*, 12th July: <http://nearlylegal.co.uk/2015/07/the-homelessness-budget/>

viewed alongside the difficulties such families and many others on a low income have in accessing the PRS (see below), the question “*who will house the poorest?*” is becoming urgent.⁹⁹

In this context of acknowledged scarcity, the previous Coalition Government reasserted its determination to closely target diminishing social housing resources on those “who need it most, for as long as they need it”.¹⁰⁰ Seemingly disappointed with the lukewarm response to FTTs on the part of many social landlords – as of 2014/15 only 13% of new general needs social rent lettings were made on a fixed-term basis¹⁰¹ – the current Conservative Government signalled its intention to review and limit the use of so-called ‘lifetime’ tenancies.¹⁰² An amendment to the Housing and Planning Bill sees the Government seeking to compel the use of FTTs in virtually all new council house lettings.¹⁰³ Meanwhile, a decision on the extension of mandatory FTTs to housing associations has been delayed, in light of the Government’s commitment to ‘deregulate’ housing associations, in a bid to reverse their recent ONS reclassification as ‘public corporations’.¹⁰⁴

However, ongoing ESRC-funded research¹⁰⁵ has identified signs of disillusionment amongst those social landlords who were

‘early adopters’ of FTTs, associated with the cost and complexity of administering them, and the possibility of legal challenge in the event of non-renewal.¹⁰⁶ Some larger housing associations, especially those operating in pressurised markets, seem to have initially welcomed FTTs on the basis that they would enable them to more efficiently manage their stock and reduce under-occupation. But the hoped for benefits, in terms of additional lettings of larger properties, now seem unlikely to materialise, given the dearth of smaller properties to move under-occupiers onto.

Like FTTs, ‘Pay to Stay’ measures can be interpreted as a move towards a more minimalist and conditional ‘welfarist’ model of social housing along US or Australian lines.¹⁰⁷ Both local authorities and housing associations already have discretionary power to charge market rents to tenants earning over £60,000; a power that has barely been used.¹⁰⁸ The government had proposed that, as from April 2017, all social landlords would be required to charge tenants with household incomes above £30,000 (£40,000 in London) to pay up to market rent,¹⁰⁹ on a tapered scale.¹¹⁰ But they have subsequently announced that this ‘Pay to Stay’ policy will be voluntary for housing associations, again in light of the deregulatory imperative.¹¹¹

99 CIH (2015) ‘Who will house the poorest people in the future?’, CIH News Release, 29th October: http://cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/Who_will_house_the_poorest_people_in_the_future

100 p5 in DCLG (2010) *Local Decisions: A Fairer Future for Social Housing*. London: DCLG; see also Fitzpatrick, S. & Pawson, H. (2013) ‘Ending security of tenure for social renters: transitioning to ‘ambulance service’ social housing?’, *Housing Studies*, 29(5): 597-615.

101 DCLG (2015) *Social Housing Lettings: April 2014 to March 2015, England*. Statistical Release. London: DCLG.

102 Spurr, H. (2015) ‘Government plans to scrap lifetime tenancies’, *Inside Housing*, 29th October, <http://www.insidehousing.co.uk/government-plans-to-scrap-lifetime-tenancies/7012475.article>

103 Apps, P. (2015) ‘Lifetime tenancies are to be scrapped’, *Inside Housing*, 9th December: <http://www.insidehousing.co.uk/policy/politics/central-government/lifetime-tenancies-are-to-be-scrapped/7013121.article>

104 Apps, P. (2015) ‘Association lifetime tenancies decision delayed’, *Inside Housing*, 11th December: <http://www.insidehousing.co.uk/business/tenancy/association-lifetime-tenancies-decision-delayed/7013167.article>

105 Fitzpatrick, S., Watts, B. & Johnsen, S. (2014) *Conditionality Briefing: Social Housing*. http://www.welfareconditionality.ac.uk/wp-content/uploads/2014/09/Briefing_SocialHousing_14.09.10_FINAL.pdf

106 Fitzpatrick, S. & Watts, B. (2015) ‘Fixing terms’, *Inside Housing*, 18th November: <http://www.insidehousing.co.uk/debate/expert-opinion/fixing-terms/7012754.article>

107 Fitzpatrick, S. & Pawson, H. (2013) ‘Ending security of tenure for social renters: transitioning to ‘ambulance service’ social housing?’, *Housing Studies*, 29(5): 597-615; Paris, C., Williams, P. & Stimson, B. (1985) ‘From public housing to welfare housing?’, *Australian Journal of Social Issues*, 20(2): 105-117.

108 Peaker, G. (2015) ‘The homelessness budget’, *Nearly Legal*, 12th July: <http://nearlylegal.co.uk/2015/07/the-homelessness-budget/>

109 DCLG (2015) *Pay to Stay: Fairer Rents in Social Housing*. London: DCLG.

110 Apps, P. (2015) ‘DCLG confirms Pay to Stay taper plan’, *Inside Housing*, 9th October: <http://www.insidehousing.co.uk/dclg-confirms-pay-to-stay-taper-plan/7012212.article>

111 Barnes, S. (2015) ‘Large HAs plan to introduce Pay to Stay’, *Inside Housing*, 17th December: <http://www.insidehousing.co.uk/policy/politics/central-government/large-has-plan-to-introduce-pay-to-stay/7013233.article>

With the consultation on the Pay to Stay proposals just closing at the time of writing, the Chartered Institute of Housing (CIH) and others have argued that the proposed income thresholds are too low, pointing out that families with an income of £30,000 will be eligible for Housing Benefit in many areas of the country, even on a social rent.¹¹² They have also expressed concerns about the additional administrative burden associated with Pay to Stay.¹¹³ Charging social tenants income-related rents will have an obvious work disincentive effect, albeit that this may be softened to some extent by tapering. It may also incentivise tenants on middle incomes to exit the sector, although some of those affected may decide to stay, or have little choice but to do so, and cover the additional rent by reducing non-housing expenditure or fall into arrears.¹¹⁴

Alongside this apparent government-led push towards a smaller, more residualised social housing sector, accommodating only those in the most dire need,¹¹⁵ some commentators note a counter-trend, whereby increasingly ‘business’ orientated housing associations are argued to be becoming risk averse with respect to accommodating low income households dependent on benefits.¹¹⁶ JRF-funded research, for example, found that, particularly in the pressurised markets in the South of England, some larger associations are seeking to widen the range of people they house, and in so doing are moving away from a focus on those in the most severe poverty.¹¹⁷ This sort of perspective was supported by this well placed key informant:

“What I’m seeing is housing associations getting incredibly tight around nominations

and affordability, rent in advance being asked for, for three months in advance. Rigorous affordability checks way beyond what would be considered to be a reasonable set of affordability checks. So we’re going to get a position where housing associations, to protect their business, are going to in a way start to walk away from the cooperation with local authorities.” (National housing expert, 2015)

However, the notion that some housing associations are becoming neglectful of their ‘social mission’, and lessening their focus on meeting housing need, is disputed by senior figures in the sector who argue that they are instead diversifying their ‘product’ in order to be able to continue to invest in social and affordable housing:

“I think one of the main drivers for some housing associations to engage in other parts of the market is to enable them to deliver the social mission at a time where the traditional way of doing that, which was chunks of Government funding, has dried up... if you are an organisation that continues to believe strongly in the need for social rent you have to find a different mechanism for doing it... providing homes for sale, sometimes for market rent and... using that profit to be the subsidy that you need to deliver social rent...” (Senior housing key informant, 2015)

In the last Monitor we reported on controversy over proposals for ‘Freeing Housing Associations’¹¹⁸ – wherein housing associations could opt to buy out their historical grant in return for complete

¹¹² CIH (2015) *CIH Response to the DCLG consultation - Pay to Stay: Fairer Rents in Social Housing*. <http://www.cih.org/resources/policy/Consultation%20responses/CIH%20response%20to%20pay%20to%20stay%20consultation%2018.11.15.pdf>

¹¹³ Ibid.

¹¹⁴ Maier, E. (2015) ‘Problems with Pay to Stay’, *Inside Housing*, 4th September: <http://www.insidehousing.co.uk/problems-with-pay-to-stay/7011596.article>

¹¹⁵ Maier, E. (2015) ‘Problems with Pay to Stay’, *Inside Housing*, 4th September: <http://www.insidehousing.co.uk/problems-with-pay-to-stay/7011596.article>

¹¹⁶ See Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF.

¹¹⁷ Clarke, A., Morris, S. & Williams, P. (2015) *How do Landlords Address Poverty*. York: JRF.

¹¹⁸ Policy Exchange (2014) *Freeing Housing Associations: Better Financing, More Homes*. London: Policy Exchange.

freedom over allocations and rent setting. Such debates have been lent significant impetus by the government's recent commitment to 'deregulate' housing associations (see also Chapter 2).¹¹⁹ While the ONS decision was based on governmental interventions in the operation of housing associations set in train by the last Labour Government,¹²⁰ it has clearly undermined the current Conservative Government's ability to press ahead with the entirety of their policy agenda as set out in the Housing and Planning Bill, at least with regard to Pay to Stay and FTTs, and may even call into question the feasibility of a full extension of the RTB to housing association tenants.

It is thus exceedingly difficult to discern a coherent policy vision for social housing at present, with more than a suggestion that short-term financial and political imperatives are trumping other considerations. The Comprehensive Spending Review (CSR) announcement that effectively all Central Government capital subsidies will be switched from rental housing (both social and affordable) to low cost home ownership¹²¹ towards the end of this Parliament would certainly seem consistent with the running down of social housing into small and highly marginalised sector. But some would argue that housing associations should be able to continue to develop new social and affordable rented stock by subsidising this from their commercial activities, receipts from the Right to Buy and their reserves (see Chapter 2). It remains to be seen how realistic this is, particularly given that landlords'

income streams will be impacted not only by the rent cut and previous welfare reforms, but also by the CSR announcement that Housing Benefit claims for social rented tenants will in future be capped at Local Housing Allowance (LHA) rates (these latter effects being mainly felt in the North and for landlords with a higher proportions of small accommodation units in their stock).¹²²

With respect to the implications for homelessness, the key concern is that the forced sale of high-value council houses, coupled with the long-term loss of properties via the RTB,¹²³ and reduced new build development, could further deplete social housing resources already under tremendous pressure. While the Government may have ambitions for this diminished stock to be targeted on those in greatest need, the interaction of their rent-setting and welfare policies, particularly the planned lowering of the total benefit caps (see Section 3.3 for details), runs directly counter to this.¹²⁴ So too does the introduction of 'localised' allocations policies wherein social landlords are encouraged to give preference to various 'deserving' groups, such as those in work or making some other 'community contribution' and ex-services personnel.¹²⁵ Moreover, the relaxation of regulatory control being negotiated between Government and housing associations, in the light of both the RTB deal and the ONS reclassification, may well involve weakening LAs' nomination rights, thus compounding difficulties in discharging statutory homelessness duties (see below).¹²⁶ Even for those homeless or other vulnerable households who do manage to access

¹¹⁹ Spurr, H. (2015) 'Housing associations reclassified as public sector', *Inside Housing*, 30th October: <http://www.insidehousing.co.uk/housing-associations-reclassified-as-public-sector/7012511.article>

¹²⁰ Tran, M. (2015) 'Majority of housing associations in England to be reclassified as public bodies', *Guardian*, 30th October: <http://www.theguardian.com/society/2015/oct/30/majority-of-housing-associations-in-england-to-be-reclassified-as-public-bodies>

¹²¹ Perry, J. (2015) 'Funding switch', *Inside Housing*, 25th November: <http://www.insidehousing.co.uk/funding-switch/7012929.article>

¹²² *Ibid.*

¹²³ Clarke, A., Jones, M., Oxley, M. & Udagawa, C. (2015) *Understanding the Likely Poverty Impacts of the Extension of Right to Buy to Housing Association Tenants*. York: JRF.

¹²⁴ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015 Briefing Paper*. Coventry: CIH.

¹²⁵ Fitzpatrick, S., Watts, B. & Johnsen, S. (2014) *Conditionality Briefing: Social Housing*. http://www.welfareconditionality.ac.uk/wp-content/uploads/2014/09/Briefing_SocialHousing_14.09.10_FINAL.pdf; DCLG (2012) *Allocation of Accommodation: Guidance for Local Housing Authorities in England*. London: DCLG.

¹²⁶ Hilditch, S. (2015) 'Abandoning the poor (1)', *Red Brick*, 7th October: <https://redbrickblog.wordpress.com/2015/10/07/abandoning-the-poor-1/>

social or affordable rented housing, it may increasingly be offered as a time-limited stopgap rather than a secure home.

Statutory homelessness and local authority homelessness assistance

Another key change introduced by the Localism Act 2011 was ‘compulsory’ discharge of the statutory homelessness duty into fixed-term private tenancies without requiring applicant consent.¹²⁷ As reported in previous Monitors, these powers do not appear to have been widely deployed by LAs as yet (across England as a whole, only around six per cent of statutory homeless cases currently see duty discharged via the offer of a private sector tenancy),¹²⁸ but were felt by councils to have value primarily as a ‘lever’ to incentivise potential statutory homeless applicants to instead opt for the informal Housing Options route.

The 2014 online survey of LAs supported the notion that these new powers have substantially reinforced the now well established primacy of ‘Housing Options’ over formal statutory processes in resolving housing crises.¹²⁹ As discussed in Chapter 4, these policy shifts mean that the great majority of 2015 LA survey respondents acknowledged that trends in overall homelessness demand in their area are now best gauged by taking into account homelessness prevention and homelessness relief actions alongside the statutory homelessness statistics.

In this year’s survey we explored a range of issues with LAs with regard to their statutory homelessness functions. While recognising that statutory duties intentionally discriminate

in favour of certain ‘priority need’ household types, the survey attempted to determine which, if any, kinds of homeless households local authorities found it difficult to provide ‘meaningful help’ to.

Perhaps unsurprisingly, the household type which LAs were most likely to say that they ‘often’ found it difficult to help was single people, particularly those aged 25-34 reported by 54 per cent of LAs, but also those aged 18-24 (44%) and over 35 (39%). The other main group that LAs felt that they struggled to offer appropriate assistance to was households with complex needs reported by 51 per cent of LAs. The comparable figure for families with children (including pregnant women) is 5%.

For almost all household types, LAs in the North were least likely, and LAs in the South most likely, to say that they struggled to provide meaningful help. Only with respect to single people aged over 25 did London boroughs report even greater difficulties than LAs in the South. While Northern LAs¹³⁰ were more likely than those in London or the Midlands to report significant problems in providing meaningful help to people with complex needs, even here it was still LAs in the South which reported the greatest difficulties of all.¹³¹

When we asked LAs to elaborate on the reasons for these problems, it was evident that acute shortages of affordable housing supply, coupled with welfare restrictions, were the key factors, particularly in London:

“Local authorities – particularly in London – have relied on the PRS for many years due to the imbalance between demand and

¹²⁷ See the first homelessness monitor for a description of the statutory homelessness system in England: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The homelessness monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis.

¹²⁸ DCLG (2015) *Statutory Homelessness: April to June Quarter 2015 England*. London: DCLG.

¹²⁹ See Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF.

¹³⁰ Bramley, G., Fitzpatrick, S., Edwards, J., Ford, D., Johnsen, S., Sosenko, F., & Watkins, D. (2015) *Hard Edges: Mapping Severe and Multiple Disadvantage*. London: Lankelly Chase Foundation.

¹³¹ Though, as commented on by one of our key informants, these regional patterns may to some extent be disguising a distinction between major cities and other areas, whereby the former have more access to Houses of Multiple Occupation, thus allowing them to make an offer to at least some single homeless people.

supply of social housing. Welfare reforms and housing market changes have made it increasingly difficult to access the PRS. For single people under 35 it is very hard to find accommodation within the Single Accommodation Rate allowance because of a shortage of such accommodation that is of a reasonable quality, and because the mismatch between the gap between the Local Housing Allowance and market rents is vast.” (LA respondent, London, 2015)

Some respondents, mainly in the South, referred to the alleged changing priorities of some housing associations, as discussed above:

“Reduced willingness by housing associations to accept our homeless clients (setting employment & income criteria, not wanting anyone with any difficult history...)” (LA respondent, the South, 2015)

“Many social landlords are also now imposing higher and higher qualifications and criteria to offering tenancies.” (LA respondent, the South, 2015)

Or the need for reform of the PRS:

“... in the main the private rented sector is the main source of housing however it also creates more homelessness than any other reason. This means that it is understandable that households are reluctant to consider it and they end up ‘chasing’ social housing. Reform of the PRS is badly needed to make it more secure and professionalized. However, landlords also need to be reassured

in return that when tenants do breach tenancies, that they can act quickly.” (LA respondent, the South, 2015)

The problems associated with assisting households with complex needs were noted across England, but were a particularly strong focus of comments from LAs in the North:

“The key factors all relate to those applicants with complex needs such as; history of anti-social or criminal behaviour, substance misuse, mental health issues, history of failed tenancies etc.” (LA respondent, the North, 2015)

It had been anticipated that there might have been an announcement in the November 2015 CSR about extending something akin to the ‘Troubled Families’ programme to adults with complex needs, which might then have enabled LAs to improve the response that they are able to make to this group.¹³² No such announcement materialised,¹³³ though senior figures in the field have suggested that there may be grounds for thinking that the idea of a national programme of support for people with complex needs has not entirely fallen off the agenda.¹³⁴ There was, however, a very welcome announcement of additional resources for mental health services,¹³⁵ which are consistently reported to be extremely difficult to access for single homeless people and those with complex needs.¹³⁶

Recent case law is also particularly relevant with respect to the LA response to single homeless people and those with complex needs. A Supreme Court ruling in May 2015 on the joined cases of Johnson, Kanu and Hotak¹³⁷ made significant changes to the

¹³² McNeill, C. & Hunter, J. (2015) Breaking Boundaries: Towards a 'Troubled Lives' Programme for People Facing Multiple and Complex Needs. London: IPPR; The Calouste Gulbenkian Foundation & MEAM (2015) *Individuals with Multiple Needs: The Case for a National Focus*. London: Gulbenkian Foundation & MEAM.

¹³³ MEAM (2015) 'Spending Review lacks ambition on multiple needs', *MEAM Blog*, 25th November: <http://meam.org.uk/spending-review-lacks-ambition-on-multiple-needs/>

¹³⁴ Sinclair, H. (2015) 'Supporting services', *Inside Housing*, 30th November: <http://www.insidehousing.co.uk/supporting-services/7012978.article>

¹³⁵ MEAM (2015) 'Spending Review lacks ambition on multiple needs', *MEAM Blog*, 25th November: <http://meam.org.uk/spending-review-lacks-ambition-on-multiple-needs/>

¹³⁶ Homeless Link (2015) *Support for Single Homeless People in England: Annual Review 2015*. London: Homeless Link.

¹³⁷ Hotak (Appellant) v London Borough of Southwark (Respondent), Kanu (Appellant) v London Borough of Southwark (Respondent), Johnson (Appellant) v Solihull Metropolitan Borough Council (Respondent) Crisis & Shelter, EHRC, SS for CLG interveners [2015] UKSC 30

“vulnerability” test for those aged over 18.¹³⁸ Previously, councils were only obliged to treat as “vulnerable” those single homeless applicants who were even more vulnerable than an “ordinary street homeless person”. The new test of vulnerability pertains to whether an applicant is more likely to be harmed by the experience of homelessness than an “ordinary person” would be. The court ruling has been hailed as a major step forward by a number of commentators, including Crisis and Shelter, both of which intervened in the cases,¹³⁹ and has received a slightly more cautious welcome by Homeless Link.¹⁴⁰ One of our key informant interviewees commented, however, that the lowering of the vulnerability comparator threshold (the main focus of the Johnson case) has been ‘balanced’ by the finding in Hotak case that family and other forms of third party support can be taken into account in assessing vulnerability, so long as it is clear that this support will be available on a ‘consistent and predictable basis’.

Respondents to the 2015 LA survey were also asked for their view about the implications of the ruling, and specifically whether it’s likely to mean that a higher proportion of their single homeless applicants will be accepted as being in priority need in the future. Just over half of councils anticipated that the ruling would have little impact on their practice (51%), while about one third of LAs (34%) felt that it would make some slight impact, albeit that this latter view was more commonly held in London (47%). Across England, however, few LAs expected the impact to be significant (8%). Some of our key informants suggested that it was probably too early for LAs to have a good grasp of the likely implications of the ruling and that these will emerge over time.

A new statutory homelessness model?

Some LA respondents to our survey made explicit the link between the difficulties they often faced in accommodating single homeless people and the weakness of statutory duties towards this group:

“Single homeless non-priority applicants are the hardest group for us to help. This is because we have no statutory duty and budget pressures mean that we have to focus our resources on the statutory element of our service.” (LA respondent, London, 2015)

Crisis have recently initiated an independent review of the current statutory homelessness framework in England, with a particular focus on how single homeless people are supported under it. This review will make recommendations for legislative change in early 2016.¹⁴¹

Related to this, LA survey respondents were asked in the 2015 survey whether changes to their statutory duties could possibly help them to better assist specified groups. As regards families with dependent children, only 11 per cent of respondents believed that legal changes could be beneficial, and the suggested changes ran the full gamut from making it easier for councils to discharge duty via a private tenancy, or introducing tougher rules on intentionality, to the complete removal of intentionality or the creation of a stronger statutory prevention duty.

A larger proportion of authorities (21%) considered that there were legal changes that could potentially enable them to better assist single homeless and young homeless people. While some LA respondents referred to changes to the statutory homelessness

¹³⁸ Peaker, G. (2015) ‘Vulnerability - a fresh start’, *Nearly Legal*, 13th May: <http://nearlylegal.co.uk/2015/05/vulnerability-a-fresh-start/>

¹³⁹ Bowcott, O. (2015) ‘UK homeless no longer have to take ‘almost impossible’ accommodation test’, *Guardian*, 13th May: <http://www.theguardian.com/society/2015/may/13/homeless-people-almost-impossible-accommodation-test-local-authorities>

¹⁴⁰ Anderson, P. (2015) ‘A Game Changer from the Supreme Court?’. *Homeless Link*, 19th May: <http://www.homeless.org.uk/connect/blogs/2015/may/19/game-changer-from-supreme-court>

¹⁴¹ Crisis (2015) *Preventing and Tackling Single Homelessness*. <http://www.crisis.org.uk/data/files/publications/Homelessness%20Prevention%20grant%20briefing.pdf>

framework itself, such as removal of priority need or intentionality, most of the associated recommendations advocated reversal of recent benefit cuts – in particular the extension of the Housing Benefit Shared Accommodation Rate to all those aged under 35.

From April 2015, in fulfilment of the terms of the Housing (Wales) Act 2014, Welsh LAs are have been under a duty to take “reasonable steps” to prevent or relieve homelessness for *all* eligible homeless households, and those at risk of homelessness within 56 days, regardless of priority need and intentionality.¹⁴² English LA respondents in 2015 were asked whether similar legislation would be beneficial in England.

The survey results indicate that such a change would have majority support among English local authorities, with 56 per cent of respondents in favour of the Welsh model, as explained in the survey, and only 25 per cent expressing disagreement. London boroughs were more evenly split, with 47 per cent in favour and 53 per cent opposed.

The reasons that LAs gave for being in favour of the Welsh model often included that the ‘main’ statutory duty can be discharged with a six month PRS tenancy:

“The ability to discharge into a 6 month AST [Assured Shorthold Tenancy] would increase options to discharge into PRS: although this may be viewed as providing less security, it would potentially enable authorities to move people out of TA [Temporary Accommodation]/B&B quicker and unless the landlord has indicated that s/he will require possession at the end of the six month period, the tenancy would hopefully be renewed anyway.”
(LA respondent, the South, 2015)

But there was also support for a stronger emphasis on flexible prevention and early intervention:

“I [support] the Welsh model of helping everyone who is eligible homeless. Also looking at the definition of threatened with homelessness being extended to say 56 days. This will give authorities an opportunity to prioritise these households and help prevent their homelessness.” (LA respondent, the Midlands, 2015)

“Making prevention a statutory duty would give the process weight and focus.” (LA respondent, the North, 2015)

Obviating the fear of being accused of gatekeeping was an attraction of the model for some:

“All efforts should be made to prevent homelessness and currently we are open to legal challenge for not moving straight to a statutory assessment.” (LA respondent, London, 2015)

Linked with this, many LAs were attracted to the idea of requiring cooperation of the applicants during the preventative and/or relief stages:

“The Welsh system means that people who are facing homelessness have to engage with prevention thus enabling more realistic options to be explored with customers.” (LA respondent, the South, 2015)

A number of respondents were supportive but emphasised issues around resources:

“Clearly prevention is the better way to go. The question for LAs will be will this

¹⁴² A basic description of the Welsh model was given to survey respondents. It was explained that the new Welsh prevention and relief duties were not duties to provide social housing or other housing but to take reasonable steps. Questions of priority need and intentionality are not required to be addressed until all such reasonable steps to prevent or relieve homelessness have failed. For those who are unintentionally homeless and in priority need, there is a duty to secure accommodation if prevention and relief efforts fail. But this full statutory duty can be discharged with a 6 month tenancy in the private rented sector.

additional statutory responsibility be supported by central government funding.”
(LA respondent, the Midlands, 2015)

The minority of LA respondents who were opposed to adoption of the Welsh model in England fell into two main camps. The first camp, mainly in the North and Midlands, expressed the view that they were already doing all that they could to prevent homelessness and/or that they felt the current legislative framework was sufficient:

“We already try to prevent or relieve homelessness – that is our core function.”
(LA respondent, the North, 2015)

“We take all reasonable steps to help anyway so putting a legal framework around it helps no-one.” (LA respondent, the Midlands, 2015)

The second camp, concentrated in London and the South, emphasised that high housing market pressures and/or welfare restrictions would make it difficult for them to deliver on enhanced homelessness duties:

“Lack of affordable housing in London makes it impossible for LAs to take steps to prevent or relieve homelessness for non priority groups. We can at best delay homelessness, perhaps by legal advice for private tenants or mediation for family relationship breakdown but we cannot assist people to find alternative accommodation.” (LA respondent, London, 2015)

“Prevention is becoming harder – LHA rates are lower, UC [Universal Credit] is

turning landlords away from our sector...”
(LA respondent, the South, 2015)

Shortly before completion of this year's Monitor, the Homelessness Minister announced a commitment to "work with homelessness organisations and across departments to consider options, including legislation, to prevent more people from becoming homeless".¹⁴³ It was subsequently reported that the Government was considering imposing a new homelessness prevention duty, along the lines of the Welsh model, and informed by the proposals of an independent panel established by Crisis to review the English homelessness legislation.¹⁴⁴

Also in December 2015, the Communities and Local Government Committee launched a Parliamentary Inquiry into Homelessness, including into its causes and the response at central and local government levels.¹⁴⁵ The Committee Chair noted that he would raise the potential new prevention duty with ministers as part of this Inquiry, including with regard to any accompanying funding commitments.¹⁴⁶

Single homelessness and rough sleeping services

The main component of government investment in single homeless services for more than a decade has been the housing-related support provided via 'Supporting People' (SP) funding.¹⁴⁷ However, the removal of the ring-fence round this funding in 2009, coupled with the pressure on LA budgets associated with austerity, has led to severe cuts at local level. Between 2010/11 and 2015/16, English LAs reduced SP funding by 56.3 per cent in real terms, as compared with an average cut to all LA

¹⁴³ DCLG (2015) 'Radical package of measures announced to tackle homelessness', DCLG Press Release, 17th December: <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

¹⁴⁴ Spurr, H. (2015) 'Government considers new homelessness duty', Inside Housing, 7th January: <http://www.insidehousing.co.uk/policy/health-and-care/homelessness/government-considers-new-homelessness-duty/7013390.article>

¹⁴⁵ See <http://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/news-parliament-2015/homelessness-launch-15-16/>

¹⁴⁶ Spurr, H. (2015) 'Government considers new homelessness duty', Inside Housing, 7th January: <http://www.insidehousing.co.uk/policy/health-and-care/homelessness/government-considers-new-homelessness-duty/7013390.article>

¹⁴⁷ While this funding stream is no longer formally called 'Supporting People' this remains the terminology in wide usage so is employed here.

services (excluding education) of 20.6 per cent over the same period.¹⁴⁸

Disproportionate reductions in SP funding for single homeless people have been reported in many areas, up to 80 per cent in some instances.¹⁴⁹ Linked with this, 133 homelessness projects are said to have closed down since 2010, with 4,000 fewer bed spaces now available.¹⁵⁰ The latest edition of Homeless Link's annual survey of single homelessness services¹⁵¹ found that 41 per cent of accommodation projects had seen their funding fall over the past 12 months, while only eight per cent saw an increase in funding. Amongst those which reported a decrease in funding, almost half had had to reduce their frontline staff capacity. Though still heavily reliant on SP, only 51 per cent of single homelessness projects reported that this was now their primary funding source, down from 58 per cent last year, and 76 per cent the year before that.

Some respondents to the 2015 LA survey made an explicit link between difficulties in offering meaningful help to this group and cuts in SP and other relevant budgets:

“A key issue is assisting single people without dependants who have particular needs, especially mental health issues, learning disabilities and/or drug/alcohol abuse... They may apply for assistance under homelessness legislation and may merit priority need because of vulnerability, but it is clear that they are not going to be able to manage a tenancy without support. Resources for housing-related support are now much reduced so it is difficult to devise a support package

for people in this category. It is possible that they will enter a downward spiral of gaining a tenancy, incurring rent arrears and other problems, being evicted, sleeping rough, and then experiencing a further deterioration in their condition.” (LA respondent, the South, 2015)

“We struggle to get effective support packages for people with complex needs to enable us to negotiate with a potential landlord.” (LA respondent, the North, 2015)

The other central component of government investment in homelessness services is the Homelessness Prevention Grant (HPG). The HPG has provided over £1 billion over the past 10 years to LAs across England, with each receiving a minimum of £50,000 per year during that period.¹⁵² Currently standing at £78.5 million per annum, this grant was protected through the five years of Coalition Government. It is used to support LAs' Housing Options and prevention work, and other frontline homelessness services, including for single homeless people and rough sleepers. While the HPG represents a relatively modest amount of funding, certainly as compared with SP, it was described by one voluntary sector representative as 'symbolically' very important in signalling the government's commitment to tackling homelessness.

It had been feared that the recent CSR might mark the end of the HPG, and there was heavy lobbying on the part of a range of homelessness charities to preserve it.¹⁵³ This seems to have paid off, with an announcement by the homelessness minister in December 2015 that it was to be protected through the provisional local

148 Source: CIPFA Financial and General Statistics (Estimates)

149 Homeless Link (2015) *Support for Single Homeless People in England: Annual Review 2015*. London: Homeless Link.

150 Ibid.

151 Ibid.

152 Homeless Link (2015) *Spending Review Submission 2015*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Homeless%20Link%20-%20Spending%20Review%20Submission%20September%202015.pdf>

153 Crisis (2015) *Preventing and Tackling Single Homelessness*. <http://www.crisis.org.uk/data/files/publications/Homelessness%20Prevention%20grant%20briefing.pdf>

government finance settlement, alongside central government funding for homelessness programmes of £139 million over the Spending Review period.¹⁵⁴ But in the wider context of potentially fundamental changes to local government finance, with government plans now announced to abolish the main local government grant alongside the devolution of business rates, the future of the HPG cannot be viewed as entirely certain.¹⁵⁵ As was noted in last year's Monitor, there are in addition a range of specific programmes supported by Government and aimed at particular groups of single homeless people. However, these initiatives are generally small scale, tightly targeted and time limited with, for example, the Homelessness Transition Fund,¹⁵⁶ PRS Access Programme¹⁵⁷ and Hospital Discharge Fund¹⁵⁸ all terminating in 2014. As such, these highly targeted programmes, and likewise the homelessness funds announced in December 2015, cannot compensate for the wholesale cuts in the mainstream SP revenue funding relied upon by most single homelessness services. One voluntary sector representative commented on the disconnect between what they considered to be the "good stuff" being developed on homelessness specifically – including evolving agendas on complex needs (see above), Housing First,¹⁵⁹ and Social Impact Bonds¹⁶⁰ – and "the bigger structural stuff" on welfare reform, which they viewed as driven by a

"strong ideological agenda" which seeks to "normalise inequality". A powerful case has recently been made that, given the 'funding black hole' created by the radical shrinkage of SP funding, urgent attention now has to be given to ensuring that vulnerable homeless people are able to access the opportunities presented by the changing eligibility rules for adult social care and personal budgets introduced by the Care Act 2014.¹⁶¹

An important new concern of key informants this year was related to the impact of one per cent cut in social rents reported in Chapter 2 on supported accommodation. Because it is more expensive to run and manage supported accommodation than general needs social housing, higher rents are charged, meaning that the impact of the rent reduction is that much greater. Providers of supported accommodation have argued that the viability of some projects may consequently be threatened.¹⁶² Lobbying is therefore ongoing which seeks to amend the Welfare Reform and Work Bill to have supported housing exempted from the social rent cut,¹⁶³ in the same way that 'specified' supported accommodation is exempted from the impacts of Universal Credit and benefit caps. At the time of writing it was reported that the government was working on rent cut exceptions for supported housing, with the specifics expected in the new year.¹⁶⁴

It appears, however, that the extension of

154 DCLG (2015) 'Radical package of measures announced to tackle homelessness', *DCLG Press Release*, 17th December: <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

155 Booth, R. (2015) 'Local councils warn of critical funding crisis as £18bn grant is scrapped', *Guardian*, 25th November: <http://www.theguardian.com/society/2015/nov/25/local-government-councils-funding-gap-critical-budget-cuts-social-care-spending-review>

156 See <http://www.homeless.org.uk/our-work/national-projects/homelessness-transition-fund>

157 Crisis (2013) *The Crisis PRS Access Development Programme 2010-2014*. <http://www.crisis.org.uk/pages/crisis-private-renting-funding.html>

158 See <http://www.homeless.org.uk/sites/default/files/site-attachments/Evaluation%20of%20the%20Homeless%20Hospital%20Discharge%20Fund%20FINAL.pdf>

159 See <http://lankellychase.org.uk/project-summary/homeless-link/>

160 DCLG (2015) *Qualitative Evaluation of the London Rough Sleeping Social Impact Bond. Second Interim Report*. London: DCLG.

161 Cornes, M., Mathie, H., Whiteford, M., Manthorpe, J. & Clark, M. (2015) *The Care Act, Personalisation and the New Eligibility Regulations. A Discussion Paper about the Future of Care and Support Services for Homeless People in England*. London: King's College London/University of Liverpool/Homeless Link/LSE.

162 Sinclair, H. (2015) 'A reduction in social housing rents will mean less supported housing for homeless people', *NHF Blog*, 16th November: <http://www.housing.org.uk/blog/the-proposed-reduction-in-social-housing-rents-will-mean-less-supported-hou/>

163 Sinclair, H. (2015) 'Supporting services', *Inside Housing*, 30th November: <http://www.insidehousing.co.uk/supporting-services/7012978.article>; Spurr, H. (2015) 'NHF pushes for supported housing rent cut exemption', *Inside Housing*, 13th November: <http://www.insidehousing.co.uk/nhf-pushes-for-supported-housing-rent-cut-exemption/7012749.article>

164 Cross, L. (2015) 'Rent cut exceptions for supported housing expected in new year', *Social Housing*, 16th December: <http://www.socialhousing.co.uk/rent-cut-exceptions-for-supported-housing-expected-in-new-year/7013250.article>

LHA rate caps to the social rented sector (see Section 3.3 below) will apply to supported accommodation.¹⁶⁵ Such a move seems even more likely than the rent cut to call into question the viability of accommodation services,¹⁶⁶ with our key informants reporting that youth homelessness services will be worst hit (see further below). It has even been claimed by a senior housing association figure that: *“This seemingly minor, technical amendment could lead to virtually all supported housing for people under 35 to disappear.”*¹⁶⁷ Likewise, a key informant from the domestic violence sector commented that, if the extension of the LHA to the social rented sector affected their accommodation provision, then:

“... we would have to close all out refuges. We couldn't survive on local housing allowances... that would finish refuges completely... maybe I'm just being hopeful, but I can't quite see that they'd cut all refuge provision. I think they understand that the furore would be huge.”

While the government has asserted that Discretionary Housing Payments (DHPs) can be used to ‘plug the gap’ for affected tenants in supported housing, this has been described as “pie in the sky”¹⁶⁸ given the discretionary, short-term and budget-limited nature of these payments (see Section 3.3). The government has stated that its not its intention that supported housing should be adversely affected by welfare reform, and DWP and DCLG are currently undertaking a review of the scale and costs of supported accommodation to inform future spending and policy decisions, and to ensure that the tenants of such dwellings are protected from

the unintended consequences of broader policy changes.¹⁶⁹

The government also announced in the CSR a significant change in the way that temporary accommodation (TA) for homeless people will be funded, with an upfront allocation given to all councils rather than an additional ‘management fee’ recouped via Housing Benefit. Again, the details of this had not been spelled out at the time of writing. But moving from a demand-led system to a fixed-budget one may have implications for LA’s ability to respond to fluctuating requirements for TA,¹⁷⁰ albeit that it is being presented as an opportunity to give LAs greater flexibility to invest in homelessness prevention.¹⁷¹

At a more general level, there is an ongoing concern about the implications for single homelessness services arising from the government’s radical plans to devolve control of funding and powers to local areas in England, especially via a series of ‘devolution deals’ which prioritise economic growth. As Homeless Link commented in their submission to the CSR:

*“We have learnt from the experience of increased localism that investment can be diverted away from population groups who do not have statutory protection, and who are also among the least popular locally – such as single people who are homeless or sleeping rough. It is critical that plans for devolution maximise the opportunities to prevent and alleviate homelessness, rather than unintentionally increase it.”*¹⁷²

¹⁶⁵ Anderson, P. (2015) ‘Spending Review – further clarity on plans to limit rents in the social rented sector to Local Housing Allowance rates’, *Homeless Link*, 27th November: <http://www.homeless.org.uk/connect/blogs/2015/nov/27/spending-review-%E2%80%93-further-clarity-on-plans-to-limit-rents-in-social-rented#sthash.6AKPe08U.dpuf>

¹⁶⁶ Sinclair, H. (2015) ‘Supporting services’, *Inside Housing*, 30th November: <http://www.insidehousing.co.uk/supporting-services/7012978.article>

¹⁶⁷ Orr, D. (2015) ‘Are we losing supported housing by accident?’, *NHF blog*, 10th December: <http://www.housing.org.uk/blog/are-we-losing-supported-housing-by-accident/>

¹⁶⁸ *Ibid.*

¹⁶⁹ Homeless Link (2015) *Spending Review Submission 2015*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Homeless%20Link%20-%20Spending%20Review%20Submission%20September%202015.pdf>

¹⁷⁰ Perry, J. (2015) ‘Funding switch’, *Inside Housing*, 25th November: <http://www.insidehousing.co.uk/funding-switch/7012929.article>

¹⁷¹ DCLG (2015) ‘Radical package of measures announced to tackle homelessness’, *DCLG Press Release*, 17th December: <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

¹⁷² p10 in Homeless Link (2015) *Spending Review Submission 2015*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Homeless%20Link%20-%20Spending%20Review%20Submission%20September%202015.pdf>

Youth homelessness

There is longstanding evidence that young people face disproportionate risks of homelessness.¹⁷³ Large-scale survey data indicates that young people are three times more likely to have experienced homelessness in the last five years than are older members of the general UK population,¹⁷⁴ and that additional risk is explained almost entirely by their heightened exposure to poverty.¹⁷⁵

Relevant here is young people's disproportionate experience of benefit sanctions (see Section 3.3 below); the very low level of out of work and housing benefits to which they are in any case entitled; and the low wages (including the apprenticeship wage) and insecurity (eg zero-hours and short term contracts) that face even those who are in employment.¹⁷⁶ Recent evidence from the JRF Monitoring Poverty and Social Exclusion programme indicates that young people are four times more likely to be unemployed than adults over 25.¹⁷⁷ Despite falling rates of youth unemployment since a high of 21.4% in 2012 (now 16.0%), the gap between youth and adult unemployment rates is now the highest recorded¹⁷⁸, with education participation rates lower and NEET (not in education, employment or training) rates higher in the UK than in a number of other advanced economies.¹⁷⁹ Moreover, young

people are far more likely than any other age group to be employed on a zero-hours contract, with 41 per cent of those on such contracts aged 16-24.¹⁸⁰

Within the housing market, young people not only face constrained access to home ownership,¹⁸¹ but also a shrinking social housing sector, as discussed above. Young people are more likely now to be living in the PRS,¹⁸² where they face high and in many areas – particularly London – increasing rent levels.¹⁸³ Young people are also more likely to remain living with their parents than in the past¹⁸⁴ – especially those facing economic insecurity (unemployment or insecure employment).¹⁸⁵ At the same time, young people living outside of the parental home are increasingly reliant on family support to offset the costs of living independently,¹⁸⁶ raising obvious concerns regarding those unable to rely on family support. A recent international review of young people's entitlements to social security benefits found that a gap in protection for young adults exists in the UK, in that state support for parents ends before full state support for young adults begins.¹⁸⁷ This approach was argued to take no account of whether young people are able to live at home, and leaves many of those living independently with a very low income and limited support for meeting their housing

173 Quilgars, D., Johnsen, S., & Pleace, N. (2008) *Youth Homelessness in the UK: A Decade of Progress?* York: JRF; Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

174 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., & Watts, B. (2013) *The homelessness monitor: England 2013*. London: Crisis.

175 Bramley, G., & Fitzpatrick, S. (unpublished) *The Social Distribution of Homelessness: Impacts of Labour Markets, Housing Markets and Poverty in the UK*.

176 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

177 MacInnes, T., Tinson, A., Huges, C., Born, T. B. & Aldridge, H. (2015) *Monitoring Poverty and Social Exclusion 2015*. York: JRF.

178 Ibid.

179 Stephens, M. & Blenkinsopp, J. (2015) *Young People and Social Security: an International Review*. York: JRF.

180 MacInnes, T., Tinson, A., Huges, C., Born, T. B. & Aldridge, H. (2015) *Monitoring Poverty and Social Exclusion 2015*. York: JRF.

181 Clapham, D., Mackie, P., Orford, S., Buckley, K., Thomas, I., Atherton, I., & McNulty, U. (2012) *Housing Options and Solutions for Young People in 2020*. York: JRF.

182 Aldridge, H. (2015) *A Nation of Renters: How England Moved from Secure Family Homes Towards Rundown Rentals*. London: NPI/Citizens Advice.

183 Stephens, M., Leishman, C., Bramley, G., Ferrari, E., & Rae, A. (2014) *What Will the Housing Market Look Like in 2040?* York: JRF; Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015 Briefing Paper*. Coventry: CIH.

184 ONS (2014) *Large Increase in 20 to 34 Year Olds Living with Parents Since 1996*. <http://www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2013/sty-young-adults.html>.

185 Stone, J., Berrington, A. & Falkingham, J. (2011) *The changing determinants of UK young adults' living arrangements*, *Demographic Research*, 25: 629-666.

186 Heath, S. & Calvert, E. (2013) *Gifts, loans and intergenerational support for young adults*, *Sociology*, 47(6): 1120-1135.

187 Stephens, M. & Blenkinsopp, J. (2015) *Young People and Social Security: an International Review*. York: JRF.

needs, rendering them vulnerable to both poverty¹⁸⁸ and homelessness.¹⁸⁹

Young people being asked to leave the family home continues to be the most common immediate trigger of youth homelessness in the UK.¹⁹⁰ The financial pressure many families are experiencing as a result of welfare reform is therefore a growing concern:

“...parents are coming to see us about debt problems that are caused because they’re not able to meet the shortfall in rent. The other side of it is young people who are coming to see us and say, ‘I feel pressurised by my parents, who are telling me I’ve got to go out and find work or I’ve got to leave home, because they can’t afford to keep me anymore,’ or, ‘My parents are moving into smaller accommodation... so I’ve got nowhere to live,’” (Voluntary sector advice service manager, London)

The impact of the forthcoming lowering of total benefit caps (see Section 3.3) is anticipated to exacerbate these problems:

“...[the] reduction in the benefit cap is not yet in place nor is its potential impact understood, but in terms of youth homelessness, where families have older teenagers, the likelihood of not necessarily being unwilling but actually being unable to accommodate on the grounds of families not being able to afford to stay together, is one to watch closely” (Youth homelessness expert)

The profile of young people accessing homelessness and other specialist services appears to be shifting, with a higher proportion

reported to have complex needs, including mental health problems, than in the past:

“I think the shift we are seeing across the general population that we’re seeing in supported accommodation is that young people are coming presenting multiple and complex problems at a more advanced stage, so the consequence of that is that where supported accommodation would previously have been easy to provide at a low level support, it’s now much more challenging” (Senior manager, youth homelessness service provider)

Adequate access to and uptake of mental health services are also a continuing concern in the sector. At the same time as they face restricted funding, youth homelessness services are seeking to ‘up-skill’ staff with respect to young people’s psychological needs and (relatedly) the impact of shifting and diverse drugs cultures:

“Legal highs are a big issue for us in the North, so, Yorkshire and the North East, not so much in London. The biggest issue for us in London is cannabis, skunk in particular” (Senior manager, youth homelessness service provider)

Nonetheless, a recent comprehensive review of youth homelessness highlighted considerable positive policy and legal developments across the UK, including in England.¹⁹¹ Notably, following the 2009 Southwark Judgement, homeless 16/17 year olds are first and foremost to be treated as children ‘in need’ through provisions within the Children Act 1989. This clarification of the legal position has led to more 16 and 17 year olds becoming looked after by local authorities,¹⁹² but is also reported to

¹⁸⁸ Padley, M. and Hirsch, D. (2014) *Households below a Minimum Income Standard: 2008/9 to 2011/12*. York: JRF.

¹⁸⁹ Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

¹⁹⁰ Ibid.

¹⁹¹ Ibid.

¹⁹² Department for Education (2015) *Children Looked After in England (including Adoption and Care Leavers) Year Ending 31 March 2015*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464756/SFR34_2015_Text.pdf.

have improved joint working on prevention between Housing and Children's Services authorities.¹⁹³ There has also been some extension in 'corporate parenting' duties. Since 2000 LAs have been expected to stay in touch and support care leavers until they are 21 (or later if they are in education or training).¹⁹⁴ New 'Staying Put' arrangements¹⁹⁵ enable young people to stay with their foster carers until 21 where this is in the young person's interests. In 2014/15 48 per cent of young people leaving foster care opted to 'stay put'.¹⁹⁶ There have been calls to extend these obligations to all children in care,¹⁹⁷ as well as to expand priority need categories within the statutory homelessness system to incorporate older care leavers, not only 18-20 year olds.¹⁹⁸ These developments – combined with the 'priority' status owed to these groups – likely explains why, in our survey of LAs in England, a much smaller proportion of respondents (17%) reported that they struggled to provide meaningful help to 16 or 17 year olds, or to care leavers aged 18-20 years old, than to other single homeless people (see above).

There has also been investment in specific funds that aim to develop accommodation options for young homeless people, including one targeted on homelessness among young people with the most complex needs

(Fair Chance Fund)¹⁹⁹, and one to provide low-cost stable accommodation for young people seeking to work or study (Platform for Life).²⁰⁰ The Positive Youth Accommodation Pathway²⁰¹ now informs the development of youth homelessness services in almost two thirds of local authorities.²⁰² Prevention-focused 'Housing Options' approaches now operate across England, employing a range of tools to help young people stay in the family home or secure alternative accommodation without becoming homeless. In the current context, youth homelessness organisations face a major challenge in providing good quality accommodation that is genuinely affordable, but promising approaches identified include 'light touch' supported accommodation, Peer Landlord and other shared accommodation models for young people with lower support needs, Supported Lodgings,²⁰³ and 'Housing First'²⁰⁴ for those with more complex needs.²⁰⁵

This targeted policy attention and emphasis on proactive prevention may well explain why, despite young people's disproportionate exposure to unemployment, benefit cuts and sanctions, and their especially vulnerable position in the housing market, youth homelessness appears not to have risen substantially in recent years, though concerns remain about the role of unlawful

193 Homeless Link (2014) *Young and Homeless 2014*. London: Homeless Link; Homeless Link (2015) *Young and Homeless 2015*. London: Homeless Link.

194 Department of Education (2015) *The Children Act 1989 Guidance and Regulations: Volume 3: Planning Transition to Adulthood for Care Leavers*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397649/CA1989_Transitions_guidance.pdf

195 These provisions came into force in May 2014 under the Children and Families Act 2014.

196 Department of Education (2015) *Children Looked After in England (including Adoption and Care Leavers) Year Ending 31 March 2015*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464756/SFR34_2015_Text.pdf.

197 House of Commons Education Committee (2014) *Into Independence, Not Out Of Care: 16 Plus Care Options*. Second Report of Session 2014–15. London: The Stationery Office Limited; Stevenson, L. (2015) 'Government considers £76m cost of keeping children in residential care until 21', *Community Care*, 29th January: <http://www.communitycare.co.uk/2015/01/29/government-considers-report-backing-76m-cost-staying-put-residential-care/>.

198 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

199 Details of the areas in which Fair Chance programmes are underway can be found here <https://www.gov.uk/government/news/23-million-to-help-homeless-turn-around-their-lives>

200 See <https://www.gov.uk/government/news/government-expanding-support-to-beat-homelessness>

201 St Basils (2015) *Developing Positive Pathways to Adulthood: Supporting Young People on their Journey to Economic Independence and Success Through Housing Advice, Options and Homelessness Prevention*. <http://www.stbasils.org.uk/how-we-help/positive-pathway/>.

202 Homeless Link (2015) *Young and Homeless 2015*. London: Homeless Link.

203 Which offer a room in a private home with trained hosts and support from professionals.

204 Johnsen, S. & Texeira, L. (2010) *Staircases, Elevators and Cycles of Change: 'Housing First' and Other Housing Models for Homeless People with Complex Support Needs*. London: Crisis.

205 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

'gatekeeping' in some areas, affecting particularly young people and other single homeless groups.²⁰⁶

However, there must now be doubts about whether this 'line' can be held on youth homelessness going forward. Certainly, there are widespread fears that the removal of 'automatic' Housing Benefit (HB) entitlement from 18-21 year olds from April 2017 will lead to a significant rise in youth homelessness (see Section 3.4 below). Moreover, the most profound impact of the CSR announcement that HB for new tenants in the social housing sector will be capped to LHA rates will fall on young people (again see Section 3.4), including those in supported accommodation (see above). These welfare reforms are also occurring within a broader context of budget cuts that have led to reductions in targeted services for vulnerable young people and families, including family support and education, training and employment programmes, as well as mainstream youth service provision such as youth centres and youth worker outreach teams.²⁰⁷ It seems doubtful that even high quality specialist programmes will be able to counter the impacts of these major reductions in core supports for young people.

3.3 Welfare policies of the 2010-2015 Coalition Government

The raft of government welfare reform measures likely to impact on homelessness have now all been operating for some time, albeit they are still set to be reinforced

by further cutbacks in the coming years. A detailed description of this reform programme is provided in previous Monitors,²⁰⁸ and in the discussion below we focus on the most recent developments.

It has been estimated that in overall terms the Coalition Government programme of welfare reforms took some £19 billion pounds a year out of the pockets of low income households and the economy in 2014/15.²⁰⁹ Within that, the individual welfare reforms have varied significantly in their spatial impact. The areas most affected have mainly been found in the older industrial areas of England, in the more deprived parts of London, or among the least prosperous seaside towns.²¹⁰

More generally, a 2014 study has shown that the overall package of Coalition Government tax and welfare reforms were fiscally broadly neutral, with the savings from the welfare cuts effectively used to pay for tax reductions. It also showed that all those in the lowest half of the income distribution were net losers from those tax and benefit changes, while all those in the top half of the income distribution (except the top 5%) made net gains. The biggest losers were those in the lowest three income deciles, where the impact of the benefit cuts far outweighed the gains from tax and state pension provisions.²¹¹

While the impacts of the raft of welfare reforms introduced by the Coalition Government continue to unfold, the new UK Government has proposed a further set of reforms intended to cut another £12 billion from the overall welfare budget. In

²⁰⁶ Ibid.

²⁰⁷ Hastings, A., Bailey, N., Bramley, G., Gannon, M. & Watkins, D. (2015) *The Cost of the Cuts: The Impact on Local Government and Poorer Communities*. York: JRF; Unison (2014) *The UK's Youth Services: How Cuts Are Removing Opportunities For Young People and Damaging Their Lives*. London: Unison.

²⁰⁸ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The homelessness monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis; Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The homelessness monitor: England 2012*. London: Crisis.

²⁰⁹ Beatty, C & Fothergill, S (2013) *Hitting the Poorest Places Hardest: The Local and Regional Impact of Welfare Reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

²¹⁰ Ibid.

²¹¹ De Agostini, P., Hills, J. & Sutherland, H. (2014) *Were We Really All In It Together? The Distributional Effects Of The UK Coalition Government's Tax-Benefit Policy Changes*, CASE Working Paper 10. London: LSE.

the following section, we focus on evidence on the impact of the individual Coalition Government reforms and proposals that have a direct relevance for homelessness and the housing market for low income households.

Local Housing Allowance

Changes to the Local Housing Allowance (LHA) regime for private tenants led the way in the welfare reform agenda, and have been applicable to all new claimants since April 2011, and to all existing claimants for a period of between almost two to three years, dependent on their circumstances. The key initial changes were to set LHA rates based on thirtieth percentile market levels, rather than market medians, and to set maximum caps that further reduced LHA rates in inner London. Since April 2013, those LHA rates have been uprated by the lower of either inflation (CPI) or changes in market rents. These reforms are of particular significance in the context of homelessness policies that are placing more emphasis on households securing accommodation in the private rented sector (PRS).

Administrative data on LHA claims is now available for the period to August 2015. Nationally, this shows that the number of LHA claimants continued to rise after March 2011, but at a much slower rate than in the five years prior to the LHA reforms. However, more recently numbers have begun to fall. In England as a whole, the numbers of private tenants in receipt of HB rose from 1,376,440 in March 2011 to 1,493,427 in May 2013, before falling back to 1,432,335 by August 2014, and 1,352,155 by August 2015. As a consequence, the numbers of HB claimants in the PRS is now lower than it was when the LHA reforms were introduced in 2011.

While the working through of the lower LHA rate regime, and the further downward drift

of LHA rates through CPI uprating will have contributed to the decline in LHA claimant numbers between May 2013 and August 2015, this period also saw a fall in the overall Jobseeker's Allowance (JSA) claimant count. The net decline in HB claimants over the year was proportionately far greater in the PRS, than in the social rented sector. However other factors, such as the age profile of tenants in the two sectors, may have contributed to the greater rate of decline in the PRS, as well as the impact of the LHA reforms.

The initial rate of growth in London was much lower than in England, as a whole; and in inner London numbers have fallen by almost 16 per cent since the end of 2011 when the new regime first began to apply to existing claimants. There has been an even sharper decline in the areas of central London affected by the caps on maximum LHA rates, with declines of some 35-40 per cent since March 2011 in Kensington and Chelsea and in Westminster.²¹² As intended, the policy is making it much more difficult for lower income households to secure, or sustain, tenancies in the PRS in the high value areas impacted by the LHA caps. Since 2013, the wider benefit cap will also have been a factor in limiting the capacity of out of work households to obtain or sustain a tenancy in the PRS in high value areas.

There has also been a substantial decline in the numbers of younger single households in receipt of HB, following the extension of the Shared Accommodation Rate (SAR) to single people aged 25 to 34. Between December 2011 and August 2015, 25-34 year old single people in receipt of HB in the PRS in England fell by almost 47,400 (39.4%). At the same time the numbers of younger single people in the PRS (aged under 25), that continued to be subject to the SAR, fell even more rapidly

²¹² DWP Housing Benefit Caseload Statistics: <https://www.gov.uk/government/statistics/number-of-housing-benefit-claimants-and-average-weekly-spare-room-subsidy-amount-withdrawal>. Additional data extracted from DWP Stat-Xplore. Note that figures for Westminster should be treated with caution due to large numbers of cases with unattributed tenure.

– by 43.6 per cent. Overall, the numbers of single people aged under 35 in receipt of HB fell by 40.8 per cent over the period.

Given that overall LHA claimant numbers were only two per cent lower at the end of this period, this sharp reduction in the numbers of young single HB claimants can only be taken as a consequence of the combined effect of the SAR being extended to a broader age range and its being set to the lower thirtieth percentile market level (it was in any event already much lower than one bedroom rates). It is certainly consistent with the reports from agencies about difficulties in securing accommodation in the PRS for younger single people and research showing the very limited availability of PRS accommodation with rents within reach of the new SAR rates.²¹³

The published HB data shows that the average payments made to private tenants have declined since the new LHA regime was introduced. A number of factors have contributed to this, including the LHA caps in inner London, and the rise in the numbers of working claimants who receive partial, rather than ‘full’ HB. However, one of the main findings of the DWP evaluation of the new LHA regime was that for existing claimants, only some 11 per cent of the reduction was attributable to landlord rent reductions, with the bulk of the reduced entitlement having to be met by the claimants. For almost a half, this involved cutting back on other expenditures on household ‘essentials’, and nearly a third borrowed money from family or friends.²¹⁴

It should also be recognized that while the LHA reforms are now fully operational, there will be a further time lag before the long-term market responses to those reforms by claimants and landlords will be seen. Those

responses will also be changing over time as limits on uprating LHA look set to depress LHA rates relative to movements in market rents. Following a decision announced in the 2013 Budget, in 2014/15 and 2015/16 they were to be uprated by just one per cent. Furthermore, in the Summer 2015 Budget the new Government now proposes to freeze LHA rates in 2016/17 and 2017/18.

The benefit cap

The overall cap on welfare benefits was introduced in four local authorities in April 2013, and was rolled out on a phased basis, so that since the end of September 2013 it has been operating across the whole of the country. The cap – set at £350 per week for single people, and £500 for all other households – applies to out of work households below pensionable age, with a number of exemptions for households with disabilities.

The limits impact particularly on larger families, and households in London and other higher rent areas. The impact assessment estimated that some 58,000 households would have their benefits reduced as a result of the benefit cap, with 52,000 in England, of which some 25,000 were expected to be in London. While the (median) average estimated benefit reduction was £62 per week, for a third of all cases the estimated reduction was greater than £100 per week.²¹⁵

In practice, the benefit cap has since its full implementation impacted on only about one half of the numbers of households estimated in the impact assessments. Numbers fluctuate slightly from month to month, but peaked at 28,434 in December 2013. By August 2015, the numbers had eased down to 23,379.²¹⁶ Changes of circumstances have seen continuous monthly flows of

²¹³ Sanders, B. & Teixeira, L. (2012) *No Room Available: Study of the Availability of Shared Accommodation*. London: Crisis.

²¹⁴ Beatty, C., Cole, I., Powell, R., Kemp, P., Brewer, M., Emmerson, C., Hood, A. & Joyce, R. (2014) *Monitoring the Impact of Changes to the Local Housing Allowance System of Housing Benefit: Final Reports*. London: DWP.

²¹⁵ DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220178/benefit-cap-wr2011-ia.pdf

²¹⁶ DWP (2014) *Benefit Cap: GB households Capped to August 2015*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/473759/benefit-cap-statistics-aug-2015.pdf

households into and out of the benefit cap. In total, some 43,500 households had been subject to the cap at some point, but were no longer capped in August 2015. Of those just over two fifths ceased to be impacted as they were in work, and had an open Working Tax Credit claim. However, it is not clear how far the benefit cap, in itself, has contributed towards the move of impacted households into work, as changes in circumstances and moves in and out of often insecure and low paid employment are an established pattern for many low income households.²¹⁷

As anticipated, the impact of the benefit cap has been greatest in London due to its higher level of housing costs, and for larger families. Of all the households impacted at some time up to August 2015, almost a half were in London, and of the twenty authorities with the most impacted households eighteen were London boroughs. Of those impacted in August 2015, three fifths had four or more children, and a further one fifth had three children. The households impacted nationally were slightly more likely to be located in the social (53%) rather than the private (47%) rented sector.²¹⁸

The 'Bedroom Tax'

Limits on the eligible rents for households in the social rented sector were also introduced in April 2013, based on the number of bedrooms the household are deemed to require by size criteria essentially derived from the social survey 'bedroom standard' measure established in the 1960s. Officially these limits have been designated as the 'Spare Room Subsidy' limits, but they have been more widely referred to as the 'Bedroom Tax', and while that is not a technically accurate description of the measure (and given that the official terminology is also

both rather loaded, and rarely used outside of official circles) it is the terminology we use here as it is in common usage. A discussion on the context in which the 'Bedroom Tax' was introduced can be found in last year's edition of the Monitor.²¹⁹

As with the overall benefit cap, the actual numbers of households impacted by the 'Bedroom Tax' have proved to be some way below the levels estimated in the impact assessments. The May 2013 figures showed just under 560,000 households subject to the size criteria limits (adjusting for initial under reporting), of which some 443,000 were in England. By August 2014, the numbers of tenants subject to the reductions in England had fallen by 16 per cent to some 370,000. In the year to August 2015 they fell by a further six per cent to some 348,000.

As with the monthly benefit cap figures, it must be recognized that this is a net reduction in the numbers of tenants impacted, with household changes in circumstances leading to some tenants becoming newly subject to the size criteria limits each month (i.e. when a child ceases to be a dependant), at the same time as other households cease to be subject to the limits.

An analysis of the impact of the first nine months operation of the scheme found that of the 195,000 households ceasing to be subject to the 'Bedroom Tax', some 46 per cent ceased to claim HB altogether, while nearly 32 per cent had an increase in their bedroom entitlement. Just ten per cent moved into smaller accommodation within the social rented sector, while some two per cent moved into the private rented sector.²²⁰

A number of reports provided evidence on

²¹⁷ Green, A., Elias, P., Hogarth, T., Holmans, A., McKnight, A. & Owen, D. (1997) *Housing, Family and Working Lives*. Warwick: Institute for Employment Research, University of Warwick; Hills, J., Smithies, R. & McKinght, A. (2006) *Tracking Income: How Working Families' Incomes Vary Through The Year*. London: Centre for the Analysis of Social Exclusion, LSE.

²¹⁸ Data extracted using DWP Stats-Explore.

²¹⁹ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The homelessness monitor: England 2015*. London: Crisis.

²²⁰ DWP (2014) *Removal of the Spare Room Subsidy: Analysis of Changes in Numbers Subject to a Reduction in Housing Benefit Award*. London: DWP.

the early impacts of the 'Bedroom Tax', and some of the issues this has raised.²²¹ These, and the report for the DWP on the operation of the scheme over its first eighteen months,²²² all confirmed that the majority of impacted tenants did not consider themselves to be 'over accommodated'. This is not surprising given that the 'bedroom standard' on which the 'Bedroom Tax' is based is out of touch with contemporary social values and practice.

The tightness of the size criteria inevitably resulted in a host of concerns about the circumstances in which additional bedrooms were needed, whether for disability or other medical reasons, or for carers of children of separated or divorced parents in circumstances wider than those recognized by the criteria. A related issue is that the criteria assumes that any bedroom can be shared by two children, regardless of how small it might be, or the age of the children.

A broader concern about the application of the size criteria is that in many areas there is a shortage of smaller social sector dwellings available for 'downsizing' transfers. DCLG data shows some 15,000 social sector tenants transferred in 2013/14 either in response to the benefit cap or the 'Bedroom Tax' – just 3 per cent of those impacted by the two measures. In 2014/15 the number of such transfers dropped to some 9,000.²²³

The constraint on the availability of smaller dwellings is more frequently found in parts of Northern England, where there is a structural mismatch between the size of dwellings within the stocks of social landlords, and the

size of dwellings households are deemed to require under the 'Bedroom Tax' size criteria. In those areas, 'under-occupation' as defined by the size criteria has been an established practice supported by social landlords as a means of balancing the supply and demand for their larger dwellings.

The regional dimension to the impacts of the policy is reflected in the distribution of the impacted households across England, with particularly high numbers in the north west of England, as shown in Figure 3.1. The figure also shows the extent to which numbers have reduced over the period from May 2013 to August 2015, with a higher rate of reduction in London and the South East where there are both more opportunities for landlords to make 'downsizing' transfers, and greater labour market opportunities for tenants. The lowest rate of reduction (in England) has been in the North East, which of all the English regions has the lowest proportion of one bedroom dwellings in its social rented stock.²²⁴

A landlord survey undertaken for DWP found that, after five months, only two fifths of the impacted tenants were making rent payments in full, two fifths were making good some part of the size criteria deductions, and one fifth were not making any payment to cover the shortfall.²²⁵ A year later a half of all the impacted tenants were making rent payments in full, two fifths were making good some part of the shortfall, while just one in ten were not making any payments to cover the shortfall.²²⁶ The later report found that some three fifths of the impacted tenants were reducing spending on household

221 Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP; Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF; Ipsos MORI (2014) *Impact of Welfare Reforms on Housing Associations: Early Effects and Responses by Landlords And Tenants*. <https://www.ipsos-mori.com/Assets/Docs/Publications/sri-ipsos-mori-nhf-report-impact-of-welfare-reforms-on-housing-associations-2014.pdf>.

222 Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2015) *Evaluation of Removal of the Spare Room Subsidy: Final Report*. London: DWP.

223 Table 3i, Social Housing Lettings CORE Summary Tables: April 2014 to March 2015: <https://www.gov.uk/government/statistics/social-housing-lettings-in-england-april-2014-to-march-2015>.

224 Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

225 Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP.

226 Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2015) *Evaluation of Removal of the Spare Room Subsidy: Final Report*. London: DWP.

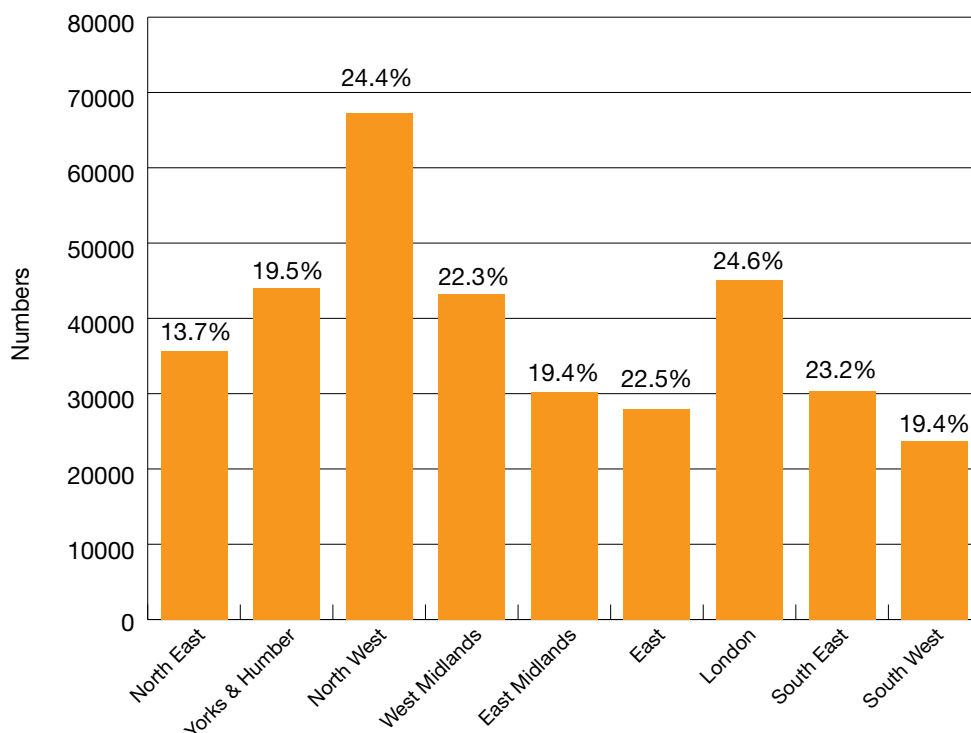
essentials, while one in four had borrowed money, mainly from family or friends, to help manage the shortfall. It also found that by that time nearly three in ten of the impacted tenants had made claims for Discretionary Housing Payments. These payments are discussed in the following section. While these surveys found problematic levels of rent arrears, at the time they were undertaken these had not by that stage led to significant levels of legal actions or evictions. However, while other factors (and welfare reforms) are involved, there was a clear and marked increase in the numbers of social landlord possession actions from the third quarter of 2013 onwards. Total social landlord possession claims in England and Wales

were 18 per cent higher in 2013/14 compared to the year before the size criteria restrictions were introduced, although they did begin to fall back in 2014/15 (see Figure 2.8).

The final DWP evaluation report on the ‘Bedroom Tax’ is still awaited, and there has been very little research on the ‘Bedroom Tax’ published over the last year. One exception is an analysis by the New Policy Institute, estimating that some 70 per cent of the English tenants impacted by the ‘Bedroom Tax’ have also faced cuts in Council Tax Support.²²⁷

Discretionary Housing Payments
Limited budgets for Discretionary Housing

Figure 3.1 Working age claimants impacted by the size criteria limits, and percentage fall in numbers between May 2013 and August 2015



Source: DWP Housing Benefit Statistics, November 2015.

227 Aldridge, H (2015) *What are the Overlaps Between the ‘Bedroom Tax’ and Cuts in Council Tax Support?* London: New Policy Institute.

Payments (DHPs) have been made available to LAs to assist households affected by welfare reform, but as is inevitably the case with such discretionary provisions, they are difficult to administer, their application is patchy, and in the past budgets have often been underspent.²²⁸ Early indications of their use for 'Bedroom Tax' cases suggested that during the first six months they were only being made available for some one in ten of the tenants affected by the limits,²²⁹ but the expenditure data suggests that numbers of DHP awards will have increased in the second half of the financial year.

Indeed, data for 2013/14 showed that while overall DHP budgets in the year were slightly underspent, this was rarely the case with the sums specifically provided to ease the impact of the size criteria. In total, English authorities spent 94 per cent of their DHP allocations – although spending was higher in both Scotland and Wales largely because of additional funds provided by the Scottish and Welsh Governments.²³⁰ The overall spend figure also takes account of additional self-funded spending by some authorities that in part offset the extent of underspending by other authorities. In England, 85 authorities 'over-spent', while 231 underspent and 10 exactly spent their full DHP budget.

In 2014/15, English authorities spent 99.5 per cent of their DHP allocations. Again the overall spend figure also takes account of additional self-funded spending by some authorities that in part offset the extent of underspending by other authorities. In England and Wales, 113 authorities 'over-spent', while 218 underspent and 15 exactly spent their full DHP budget. In England, three fifths of total DHP spend in 2013/14 was on 'Bedroom Tax' cases, including households with disabilities living in specifically adapted accommodation. This

is far more than the funds provided by DWP for the size criteria, and clearly many councils chose to use their discretion to apply more funds for these cases, and as a result less for other cases, such as LHA and benefit cap related cases.

In 2014/15, the DHP spend on 'Bedroom Tax' cases in England and Wales fell back to 45 per cent of the total DHP spend, but this was still 29 per cent more than DWP notionally allocated for those cases. Thus, if not to the same extent as in 2013/14, councils were still using their discretion to apply more funds to 'Bedroom Tax' cases, and as a result less for other cases. This is a further indication of the pressures resulting from the 'Bedroom Tax' policy. Concerns have also been expressed about some councils taking Disability Living Allowance awards into account when making the income assessments for DHP eligibility, and as a result denying DHPs to some of the disabled households living in specifically adapted accommodation.²³¹

In the last Monitor concerns had been expressed that the DWP budgeted provision for DHPs would not be maintained beyond 2014/15, and that the time limited awards for a proportion of impacted households will subsequently be allowed to lapse.

Indeed, the overall DWP budget for DHPs in 2015/16 has been cut by 25 per cent, albeit that the notional element within that total for 'Bedroom Tax' cases has not, of itself, been cut. The wider cut will nonetheless limit the capacity for councils to fund DHPs in 'Bedroom Tax' as well as other cases. Further ahead there are proposals to increase the DWP DHP budget, but that is in the context of the further cuts to welfare benefits

²²⁸ Merrick, N. (2012) 'Councils underspend payments for struggling households by £8 million', *Guardian Professional*, 25th June: <http://www.theguardian.com/housing-network/2012/jun/25/discretionary-housing-payments-underspend>

²²⁹ Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thompson, E., Whitehead, C. & Williams, P. (2014) *Evaluation of Removal of Spare Room Subsidy: Interim Report*. London: DWP.

²³⁰ DWP (2014) *Use of Discretionary Housing Payments: Analysis of Annual Financial and Monitoring Returns from Local Authorities*. London: DWP.

²³¹ Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

announced in the Summer 2015 Budget (see Section 3.4 below).

The very significant contribution that LAs considered that DHPs had made to mitigating the impact of 2010-2015 welfare reforms is discussed below.

Universal Credit

The Universal Credit (UC) regime is intended to combine several existing benefits, including HB, and to radically simplify the structure of welfare benefits in the UK. A full account of the structural reforms was set out in earlier editions of the Homeless Monitor.²³²

The new regime is now operational in an increasing number of pathfinder areas, but the overall timetable for rolling out the new regime has now been deferred from original plans, not least due to difficulties in developing the IT system for a still complex scheme, where the detailed regulations and operational requirements for the scheme were not finalised until quite recently. Poor management and lack of cost controls in the development of the new regime have been severely criticised in two reports from the National Audit Office.²³³

By October 2015, 141,000 predominantly single people were in receipt of UC, and it is only since February that there has been a marked increase in the proportion of the caseload located in areas outside the initial North West pathfinder areas. Since July 2015, UC has begun to apply to new childless couple claimants, with new claims from families with children only beginning to be considered from late November 2015.²³⁴ Considerable uncertainty remains over the timetable for the full roll out of UC, particularly in respect of families with children.

Almost three quarters (73%) of LAs surveyed in 2015 anticipated that the roll out of UC would further increase homelessness in their area (see Appendix 1). Echoing concerns expressed in previous Monitors, one major anxiety relates to the reliance on online application processes, with only limited provision being made to support claimants who are less familiar with, and/or able to cope with, IT systems. The prospect of single monthly payments to one bank account was another persistent concern:

“Going from a fortnightly separate payment to a monthly combined payment? Who on earth thinks that this will run smoothly for those claiming?... this can only help those families who are just coping to tip over the edge” (LA respondent, the South, 2015)

By far the most widespread concern, however, related to the arrangements for the UC element based on housing cost entitlements to be incorporated within the payment to tenants rather than being paid directly to the landlord in most cases:

“Vulnerable households dealing with homelessness would benefit from not having to be concerned with housing costs being paid monthly to them directly when their lives are chaotic enough” (LA respondent, the North, 2015)

“Most obvious reason [UC will increase homelessness] is because people will not pay their rent! Although UC has many merits in principle, it may take a generation to imbed as it is such a significant culture change” (LA respondent, the North, 2015)

Those concerns have been reinforced by the

²³² Section 4.3 in Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The homelessness monitor: England 2012*. London: Crisis.

²³³ National Audit Office (2013) *Universal Credit: Early Progress*. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>; National Audit Office (2014) *Universal Credit: Progress Update*. <http://www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf>

²³⁴ DWP (2015) *Universal Credit - Monthly Experimental Official Statistics to October 2015*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/474720/universal-credit-statistics-to-29-oct-2015.pdf

experiences of the social landlords involved in the DWP direct payment demonstration projects. Over the eighteen months of the programme, average rent payment rates across the projects were estimated to be 5.5 per cent lower than would have been the case without direct payments.²³⁵ While rates of underpayment declined over the course of the operation of the projects, under payments were also erratic and difficult to predict (and therefore manage), reflecting the complexities and challenges of unforeseen circumstances on low income households' budgets. A specific theme that emerged particularly strongly in this year's LA survey was the impact that the introduction of UC, and particularly the limitations on direct payment arrangements, would have on LAs' already fragile access to the PRS to prevent or alleviate homelessness:

"We are concerned about households' ability to manage their own financial affairs. We are also concerned that private landlords may [seek to] price out any risk by increasing the amount of rent in advance required to a minimum of 8 weeks which will increase the cost of homeless prevention" (LA respondent, London, 2015)

"Many of our customers are unable to manage their finances. We will lose the few private sector landlords we have if we are unable to make direct payments" (LA respondent, London, 2015)

While the original UC regime would not, in itself, have involved any further reduction in benefit levels, it would have still involved gainers and losers relative to the current regimes, albeit that existing claimants would be provided with transitional protection.²³⁶ However, the potential work

incentive credentials of the UC regime have been undermined by the UC reforms announced in the Summer 2015 Budget. These involved, alongside other changes (see Section 3.4 below), a reduction in the permitted earnings levels before working claimants begin to be subject to a 'tapered' reduction in their entitlement.

While the Government backtracked on its proposals for tax credit cuts in the Autumn Statement, it has confirmed that the UC cuts will go ahead. The lower UC 'work allowances' that will come into effect in April 2016 will significantly reduce the differences between in and out of work incomes, particularly for those in low paid work, thus limiting the potential improvements in work incentives that were a primary rationale for the introduction of UC.

The failure to include Council Tax benefit within Universal Credits, and the difficulties and complexities of the variable replacement schemes now being introduced in England (see below), also detracts from the simplification and incentive objectives for the scheme.

Council Tax Benefit

In 2013/14 central government reduced by ten per cent its funding for Council Tax Benefit (CTB). In England the national CTB scheme has been replaced by locally determined 'Council Tax Support (CTS) schemes'. In Scotland and Wales, the existing schemes have continued, with a mixture of Scottish and Welsh Government and LA funding making good the reduction in Central Government support.

In England, the position is far more varied, but in the first year almost one fifth of all councils made no changes to the old CTB scheme, and covered the costs of the Central Government budget cuts from their own

²³⁵ Hickman, P., Reeve, K., Wilson, I., Green, S., Dayson, C. & Kemp, P. (2014) *Direct Payment Demonstration Projects : Key Findings of the Programme Evaluation*. London: DWP.

²³⁶ DWP (2012) *Universal Credit Impact Assessment*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220177/universal-credit-wr2011-ia.pdf. Also see last year's edition of the Homeless Monitor (section 4.3) for further discussion of the Universal Credit scheme, and wider reductions in benefits expenditure over the last few years: Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The homelessness monitor: England 2013*. London: Crisis/JRF.

resources.²³⁷ The overall savings to Central Government from the ten per cent budget cut amount to some £490 million in 2013/14; but because of the interventions by the Scottish and Welsh Governments, and some local authorities, it is estimated that only some £340 million of those cuts were actually passed on to claimants.²³⁸

Of the English councils that amended the old CTB scheme to achieve savings in 2013/14, some 70 per cent introduced a minimum Council Tax payment to be met by all households regardless of their income or circumstances. Of those, a half set the minimum payment at no more than 8.5 per cent of the Council Tax bill, while 18 per cent set the minimum payment at over 20 per cent of the Council Tax bill.²³⁹

Among other changes, three quarters of the councils amending the old CTB scheme abolished the 'second adult rebate', a third changed the 'non-dependant deductions', and about a quarter restricted support to a maximum Council Tax band rate, and/or reduced the savings limit above which households are not entitled to any support.

One in five of the amending councils introduced a minimum level of CTS entitlement required in order for a payment to be made, and just one in eight widened the scope of the benefits or incomes they took into account when calculating CTS entitlement (such as child benefit and child maintenance).

Perhaps somewhat surprisingly, less than one in ten of the amending councils changed the 'taper rate' by which CTS entitlement is reduced as a proportion of incomes above the specified threshold levels for each household. However, additionally almost a quarter of all amending councils have made across the

board percentage reductions in entitlement, and in effect this implies an increase in the taper rate for the households concerned. Alongside those changes, a third of all councils have set up discretionary hardship funds to provide additional CTS, and a similar proportion have either completely or partially exempted some vulnerable groups from the CTS changes.

While decisions on CTS schemes were left to individual councils, DCLG influenced the decisions through a one year only tranche of transitional funding to councils that introduced schemes within approved criteria. These included not setting minimum payments at more than 8.5 per cent of Council Tax levels, and not increasing taper rates to more than 25 per cent (from the old 20 per cent level).

In the second year for local CTS schemes, with the ending of the transitional DCLG support, the number of councils maintaining the old levels of Council Tax Benefit support reduced to 45 or just 14 per cent of all councils. 76 councils made further changes to their CTS schemes. There were further changes to local CTS schemes for 2015/16, mainly involving further reductions in levels of support, with five further councils introducing provisions for minimum payments, and twenty councils increasing the levels of minimum payments they require.²⁴⁰

In the main, the reductions in levels of CTS entitlement are relatively modest, with an estimated 2.5 million households in England having their CTS entitlement reduced by an average of marginally over £3 per week in 2013/14. The level of reductions will, however, have increased over 2014/15 and 2015/16 and over time the issues arising from those reductions will be increasingly felt.

There are also concerns about the additional

²³⁷ New Policy Institute (2014) Council Tax Support Update. <http://counciltaxsupport.org/201314/localschemes/>

²³⁸ Adam, S., Browne, J., Jeffs, W. & Joyce, R (2014) *Council Tax Support Schemes in England: What did Local Authorities Choose, and with what Effects?* London: Institute for Fiscal Studies.

²³⁹ Bushe, S., Kenway, P. & Aldridge, H. (2013) *The Impact Of Localising Council Tax Benefit*. York: JRF.

²⁴⁰ Aldridge, A. & Birn, B. (2015) *Key Changes to Council Tax Support in April 2015*. London: New Policy Institute.

administrative costs arising for councils, not just in devising and supporting the new CTS schemes, but also in the costs of collecting small amounts of Council Tax from those households that would previously have had to make no payment as they had incomes at or below the level requiring any contribution. There will also be costs in the form of Council Tax arrears, a proportion of which is likely to have to be written off.²⁴¹ Those concerns have been noted by the Public Accounts Committee of the House of Commons, along with concerns about the negative effects of increased CTS taper rates on work incentives, and more generally about the complexities of administering CTS schemes alongside the new Universal Credit regime.²⁴²

Indeed, the latest data shows that in year Council Tax arrears rose by 20.8 per cent in 2014/15, and by a further 2.4 per cent in 2015/16, having been at virtually unchanged levels for the three years before the new CTS regime was introduced. At the same time council court and administration costs for dealing with Council Tax arrears rose by 11.5 per cent in 2013/14, and a further 16.7 per cent in 2014/15.²⁴³

While Council Tax arrears, in themselves, will rarely be a cause of homelessness (see Table 3.1), they can exacerbate the financial difficulties for households impacted by other welfare reforms, such as LHA shortfalls, the 'Bedroom Tax' (see above), benefit caps and sanctions etc, and in that way contribute to the likelihood that households will find the

continued occupation of their current home unsustainable.

Benefit sanctions

As documented in previous editions of the homelessness monitor series, the sanctions regime has significantly tightened in the UK in recent years, particularly during the time in office of the Coalition Government. The number of sanctions issued thus rose from fewer than 300,000 per year during 2001 to 2009, to around 900,000 in 2013.²⁴⁴ This figure then fell by a third between 2013 and 2014, though the majority of this drop was accounted for by the fall in the claimant count (ie that there are now fewer claimants to be sanctioned).²⁴⁵ The monthly sanctions rate thus fell less sharply from 5.6 per cent in 2013, to 5.1 per cent in 2014,²⁴⁶ and has fallen further to 4.7 per cent in the year to March 2015.²⁴⁷ Despite this fall, current levels still stand at well above the levels seen pre-2010.²⁴⁸

This intensification of the conditionality regime has been highly controversial, not least due to evidence that sanctions are often misapplied, that communication between Jobcentre staff and claimants is insufficient, that they disproportionately affect vulnerable groups and young people, and that there are barriers to effectively challenging decisions.²⁴⁹ There are also concerns that sanctions lead to a range of unintended negative consequences, including extreme hardship, reliance on food banks and even destitution.²⁵⁰

²⁴¹ New Policy Institute (2014) *The Impact of Council Tax Support Reduction on Arrears, Collection Rates and Court and Administration Costs*. http://npi.org.uk/files/7014/1163/6932/The_impacts_of_CTS_reduction_on_arrears_collection_rates_and_court_and_admin_costs.pdf

²⁴² House of Commons Committee of Public Accounts (2014) *Council Tax Support, HC 943, Forth-eighth Report of Session 2013-14*. London: The Stationery Office.

²⁴³ Ibid.

²⁴⁴ Tinson, A. (2015) *The Rise of Sanctioning in Great Britain*. London: New Policy Institute.

²⁴⁵ Ibid.

²⁴⁶ Ibid.

²⁴⁷ Webster, D. (2015) *Briefing: The DWP's JSA/ESA Sanctions Statistics Release, 12 Aug 2015*.

²⁴⁸ Ibid.

²⁴⁹ Oakley, M. (2014) *Independent Review of the Operation of Jobseeker's Allowance Sanctions validated by the Jobseekers Act 2013*. London: Her Majesty's Stationery Office; Miscampbell, G. (2014). *Smarter Sanctions: Sorting Out the System*. London: Policy Exchange; House of Commons Work and Pensions Committee (2015) *Benefit Sanctions Policy Beyond the Oakley Review*. London: The Stationery Office Limited.

²⁵⁰ Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF; Ariss, A., Firmin, C., Meacher, B., Starmer, K., & Urwin, R. (2015) *Where's the Benefit? An Independent Inquiry into Women and Jobseeker's Allowance*. London: The Fawcett Society; Church Action on Poverty (2015) *Time to Rethink Benefit Sanctions*. <http://www.church-poverty.org.uk/rethinksanctions/report/reportpdf>.

In March 2015, the House of Commons Work and Pensions Committee published the results of its inquiry into benefit sanctions,²⁵¹ making a series of recommendations to government, including: to fully implement the Oakley Review's recommendations on, for example, pre-sanction warnings and the acceptance of 'good reasons' for not meeting conditions; to review the appropriateness of the Claimant Commitments; and to mitigate the risk that sanctioned claimants experience severe financial hardship. The inquiry also reiterated a previous call for a "*broad independent review of benefit conditionality and sanctions*".²⁵²

The government responded to the inquiry in October 2015,²⁵³ accepting a number of the recommendations, including to reintroduce automatically notifying claimants that they have been sanctioned, meaning that fewer claimants should now experience unexpected stops in their payments.²⁵⁴ The government has also stated that it is considering extending the definition of vulnerability that entitles Jobseeker's Allowance (JSA) claimants to day-one access to hardship payments; introducing automatic hardship payment applications for vulnerable claimants; and trialing a 14 day warning period before a sanction is applied to give claimants the opportunity to evidence 'good reasons' for non-compliance.²⁵⁵

The impact of the intensified sanctions regime on homeless and vulnerable claimants has been a key theme in these debates.²⁵⁶ A new study²⁵⁷ of over 1,000 users of homelessness services across 21 towns and cities in England and Scotland (supplemented by 42 qualitative interviews with sanctioned homeless service users) sheds light on these concerns. In this Crisis-funded study, 54 per cent of the survey sample were subject to benefit conditionality (as JSA or Employment and Support Allowance claimants), and of these 39 per cent had been sanctioned in the past year, as compared with 18 per cent of all JSA claimants in 2013/14.²⁵⁸ Moreover, the survey found that homeless claimants are more likely to experience multiple sanctions than other JSA claimants, with homeless services users who had been in local authority care, had mental health issues or substance misuse problems most likely of all to have been sanctioned. In line with existing evidence concerning the higher risk of sanctioning faced by young people,²⁵⁹ this new study also suggests that sanctioned homeless service users have a younger profile than survey participants who had not experienced a sanction.

The study argues that people experiencing homelessness are at high risk of being sanctioned due to "*systemic and personal barriers to compliance*",²⁶⁰ rather than wilful non-compliance. Chiming with existing evidence,²⁶¹ the authors highlight

251 See House of Commons Work and Pensions Committee (2015) *Benefit Sanctions Policy Beyond the Oakley Review*. London: The Stationery Office Limited.

252 p3 in *ibid.*

253 House of Commons Work and Pensions Committee (2015) *Benefit Sanctions: Beyond the Oakley Review: Government Response to the Committee's Fifth Report of Session 2014–15*. London: The Stationery Office Limited.

254 *Ibid.*

255 *Ibid.*

256 Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. London: Homeless Link; Homeless Link (2014) *Support for Single Homeless People in England: Annual Review 2014*. London: Homeless Link; Church Action on Poverty (2015) *Time to Rethink Benefit Sanctions*. <http://www.church-poverty.org.uk/rethinksanctions/report/reportpdf>.

257 Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless People's Experiences of Welfare Conditionality and Benefit Sanctions*. London: Crisis.

258 Freedom of Information request 2014-4972: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/402593/4972-2014.pdf

259 Watts, B., Fitzpatrick, S., Bramley, G., & Watkins, D. (2014) *Welfare Conditionality and Sanctions in the UK*. York: JRF.

260 p15 in Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless People's Experiences of Welfare Conditionality and Benefit Sanctions*. London: Crisis.

261 Oakley, M. (2014) *Independent Review of the Operation of Jobseeker's Allowance Sanctions validated by the Jobseekers Act 2013*. London: Her Majesty's Stationery Office; Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. London: Homeless Link.

problems with the clarity of communication from Jobcentre Plus staff, and resultant misunderstanding of requirements, with support needs of this groups (mental ill health, learning disabilities and/or drug and alcohol problems, poor literacy and comprehension) often severely limiting their capacity to meet these requirements. They also note the problems inherent in requiring claimants with limited access to the internet (the vast majority of homeless service users) and/or limited IT skills to complete a large number of job applications online.

One-third of sanctioned claimants in the Crisis study had had their HB stopped,²⁶² and as a result faced arrears and the risk of eviction. One-fifth reported that they had become homeless as a result of being sanctioned, and 16 per cent said that had slept rough as a direct result. The authors therefore recommend more “*extensive and effective*” use of the homelessness ‘easements’ provisions introduced in 2014,²⁶³ along with a suite of measures to better tailor conditionality and support to this group. Such a move may also help to ease the pressure on homelessness services associated with sanctioning, and the unintended consequences of organisational attempts to mitigate these pressures, as highlighted by this respondent to our 2015 study:

“Some of the hostels our clients can access are running at up to 30 per cent sanctioned rate, due to this they are seeking clients who need less support

and have lower needs to try to limit the risk to their organisations, leaving a gap in provision for medium to high needs clients who then end up in B&B or otherwise unsuitable, unsupported temporary accommodation” (LA respondent, the South, 2015)

More positively, tools are now available from Homeless Link to assist homelessness service providers in developing local partnerships with Jobcentre Plus staff.²⁶⁴ Moreover, the decline in the recent rate of sanctioning suggests a slight easing in harshness of the regime, and as noted above there are indications that the Government is now open to some degree of targeted mitigation of its effects.

Local welfare assistance

Following news in late 2013 that Government funding for Local Welfare Assistance (LWA) –over £170 million in 2014/15 and £294 million under the centralised Social Fund in 2010/11²⁶⁵ – would cease from April 2015, considerable lobbying and a judicial challenge to the decision during 2014²⁶⁶ led to a “*partial reprieve*”²⁶⁷ for funding. In late 2014, LAs were told that £129 million within existing 2015/16 general grant funding was intended for local welfare provision, but this ‘notional’ amount was identified at a time when core LA funding was being cut by a further 8.5 per cent after five years of cuts. Feedback following this announcement led to an additional £74 million being made available to LAs in 2015/16 to help them improve local welfare provision and

²⁶² Oakley, M. (2014) *Independent Review of the Operation of Jobseeker’s Allowance Sanctions validated by the Jobseekers Act 2013*. London: Her Majesty’s Stationery Office; House of Commons Work and Pensions Committee (2015) *Benefit Sanctions: Beyond the Oakley Review: Government Response to the Committee’s Fifth Report of Session 2014-15*. London: The Stationery Office Limited; Webster, D. (2015) House of Commons Work and Pensions Committee report: Benefit Sanctions Policy beyond the Oakley Review (24 March 2015) - Briefing on the Government’s response.

²⁶³ Spurr, H. (2014) ‘Government eases sanctions for homeless people’, *Inside Housing*, 8th July: <http://www.insidehousing.co.uk/government-eases-sanctions-for-homeless-people/7004436.article>

²⁶⁴ See <http://www.homeless.org.uk/our-work/resources/working-together-toolkit-developing-relationships-with-jobcentre-plus>

²⁶⁵ Butler, P. (2015) ‘Is U-turn on local welfare funds a victory?’, *Guardian*, 24th February: <http://www.theguardian.com/society/2015/feb/24/u-turn-local-welfare-funds-victory>

²⁶⁶ Spence, R. (2015) ‘Where next for local welfare assistance and emergency provision?’, *CPAG blog*, 19th May: <http://www.cpag.org.uk/content/where-next-local-welfare-assistance-and-emergency-provision>

²⁶⁷ Z2K (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0056)*. All submissions of written evidence can be accessed here: <http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2015/welfare-safety-net-15-16/publications/>

adult social care. Consonant with the spirit of 'localism', LAs are not required to use this funding for LWA, nor required to operate a LWA scheme at all.²⁶⁸ It is not yet clear if any such funding will be made available in 2016/17. This weakening of the emergency welfare safety net has generated significant concern, as evidenced by the recent launch of a House of Commons Work and Pensions Committee inquiry into the 'local welfare safety net'.²⁶⁹

LWA has been described as "a central tenet in local authorities' toolkit to tackle homelessness",²⁷⁰ with Local Government Association (LGA) analysis estimating that the in 2013/14, a quarter of LWA spending was on help for people at risk of homelessness. The LGA argued that this spending offers exceptional value for money, suggesting that for every £1 spent, more than £2 of public money was saved by helping people avoid homelessness.²⁷¹ Some of the LAs responding to this year's survey echoed this message:

"Where Local Welfare Assistance is still available, this will help support [households] through difficult periods. Where this is not available, I can envisage households falling into debt or arrears and potentially facing homelessness" (LA respondent, the Midlands, 2015)

However, some LAs have already ceased operating a LWA scheme²⁷² (including several London boroughs and Oxfordshire, the latter of which reports diverting funds into the adult

social care budget).²⁷³ According to Homeless Link's 2015 survey of single homelessness accommodation providers, 61 per cent of responding providers reported being able to easily access LWA, but half reported being unsure whether the scheme would continue to be available next year, and 14 per cent were able to confirm that no such scheme would operate in their area the next year.²⁷⁴

There is also concern that the local schemes that do exist are often problematic in a number of important respects. First, eligibility criteria often exclude a range of applicants from being able to access LWA, including those who have been sanctioned and those who have already received assistance in the same year.²⁷⁵

Second, a large number of schemes appear to have strict local connection criteria meaning that homeless households seeking to move borough/area (due to domestic violence or the availability of affordable accommodation, for instance) may not be eligible for assistance from schemes in either their original or intended areas of residence.²⁷⁶ Third, it has been suggested that the value of awards and maximum award limits have decreased significantly over the last year or so.²⁷⁷

Fourth, homelessness organisations are also concerned about broader issues of access, with schemes in some areas administered online, and thus hard to access for those who are digitally excluded, as well as being poorly publicised, complex and bureaucratic (with applications taking a long period of

268 SSAC (2015) *Localisation and Social Security: A Review. A Study by the Social Security Advisory Committee, Occasional Paper No. 14*. London: SSAC.

269 The inquiry covers LWA, as well as local Council Tax Support; and DHPs. See <http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2015/welfare-safety-net-15-16/p2> in Shelter (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0048).

270 LGA (2015) 'Scrapping welfare assistance funding 'an expensive mistake', warn councils', *LGA media release*, 29th January; http://www.local.gov.uk/media-releases/-/journal_content/56/10180/6943050/NEWS. See also Gibbons, D. (2015) *Where Now for Local Welfare Schemes?* <http://www.responsible-credit.org.uk/projects/social-fund-localisation>

272 CPAG host a portal with information about LWA schemes across England: <http://www.cpag.org.uk/lwas/>

273 LGA (2015) 'Scrapping welfare assistance funding 'an expensive mistake', warn councils', *LGA media release*, 29th January; http://www.local.gov.uk/media-releases/-/journal_content/56/10180/6943050/NEWS

274 Homeless Link (2015) *Support for Single Homeless People in England: Annual Review 2015*. London: Homeless Link.

275 Homeless Link (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0019).

276 Shelter (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0048); Homeless Link (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0019); St Mungo's Broadway (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0035); Crisis (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0052); SSAC (2015) *Localisation and Social Security: A Review. A Study by the Social Security Advisory Committee, Occasional Paper No. 14*. London: SSAC.

277 St Mungo's Broadway (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry* (LCW0035).

time to process, despite intending to provide 'emergency' help).²⁷⁸

Key informants contributing to this report also raised concerns, noting that though good models have been developed in some LAs:

"...a lot of LAs that we've asked really don't have a scheme or they've got a scheme and it's exhausted itself quite quickly... I certainly haven't heard about it being used for things like rent in advance, which it perhaps would have done previously... Some of them seemed to battle because it went to the first tier authority and not the homelessness and Housing Options team ... so it wasn't very well joined up... I'm not sure how well [LAs have] implemented any meaningful assessment process, I'm not sure if that's because they've taken it out of the hands of people that perhaps would have been in a better position to do that assessment, and they've not been able to influence that"
(National advice service manager, 2015)

Analysis of 2013/14 data found that around a third of LAs spent less than 40 per cent of their LWA budgets.²⁷⁹ Part year 2014/15 data from London suggests that in some LAs as few as a quarter of applicants are successful, with the average success rate across London boroughs only 54 per cent.²⁸⁰ This underspend is unlikely to arise from a lack of demand, and is more likely to reflect

a combination of poor advertising and low awareness of schemes, cautious decision-making by LAs and complex application processes.²⁸¹ Homeless Link also report that some LWA schemes are struggling to keep pace with demand and running out of funds prior to the end of the financial year.²⁸²

Submissions to the ongoing inquiry thus call for the Government to reintroduce ring-fenced funding for LWA schemes. There is also support for guidance on good practice or minimum standards for such a scheme and monitoring of application levels and spend, with the centrally administered Scottish Welfare Fund identified as a desirable model.²⁸³ These changes are seen to be particularly important in light of expected increased demand for LWA as UC is rolled out and the impact of welfare reforms and budget cuts announced in 2015 take effect.²⁸⁴

Overall impact of welfare reforms implemented by the Coalition Government (2010-2015)

We asked respondents to the 2015 LA survey, conducted shortly after the end of the Coalition Government's time in office, to reflect on whether 2010-2015 welfare reforms²⁸⁵ had impacted on the level of homelessness in their area.

In all, two-thirds (67%) of LAs in England

²⁷⁸ Homeless Link (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0019)*; St Mungo's Broadway (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0035)*; Shelter (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0048)*; Peabody (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0011)*.

²⁷⁹ Gibbons, D. (2015) *Where Now for Local Welfare Schemes?* <http://www.responsible-credit.org.uk/projects/social-fund-localisation>

²⁸⁰ Knight, S. (2015) *Local Assistance Schemes in London*. https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwiRmvD2zZ_JAhVCVBoKHcj3Di4QFgghMAA&url=http%3A%2F%2Fglalibdems.org.uk%2Fen%2Fdocument%2Flocal-welfare-assistance-schemes-in-london.pdf&usq=AFQjCNE_oMNPawcbNNFTvcodpPoRM8OvIw&sig2=LRap-AjOi4p-E07-QGB_xw

²⁸¹ Ibid and Gibbons, D. (2015) *Where Now for Local Welfare Schemes?* <http://www.responsible-credit.org.uk/projects/social-fund-localisation>; Homeless Link (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0019)*.

²⁸² Homeless Link (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0019)*.

²⁸³ Ibid and Crisis (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0052)*; Peabody (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0011)*; St Mungo's Broadway (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0035)*; Shelter (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0048)*.

²⁸⁴ Homeless Link (2015) *Written Evidence to the House of Commons Work and Pensions Committee Local Welfare Safety Net Inquiry (LCW0019)*.

²⁸⁵ Participants were asked to refer to a list of the main reforms including: the LHA cap, other changes to LHA rules, extension of SAR to single 25-34 years olds, 'Bedroom Tax', total benefit cap, JSA/ESA sanctions, reforms to Council Tax Support, replacement of Social Fund with Local Welfare Assistance.

reported that these changes had increased homelessness in their area, with no LAs anywhere in the country reporting that homelessness had decreased as result of welfare reform (see Appendix 1, Table 10).

However, it was notable that negative effects of welfare reform on homelessness levels were much more likely to be reported in London (93%) than in the North of England (49%). This strongly regionally differentiated story attests to the influence of housing market factors, with a national set of benefit restrictions and cutbacks impacting very differently depending on the state of the market in each regional context.

Regional differentiation was also clearly apparent with respect to the perceived 'most significant' 2010-2015 welfare reform as regards exacerbating homelessness (see Appendix 1, see Table 11). Thus Northern LAs most commonly cited the extension of the Shared Accommodation Rate (SAR) to 25-34 year olds (44%) and benefit sanctions (33%) as the primary welfare reform measures driving homelessness in their areas. In London, on the other hand, the maximum cap on LHA rates was far and away the most frequently identified welfare change with a deleterious effect on homelessness (reported by 69 per cent of London Borough Councils), with the next most commonly cited measures being the total benefit cap and other changes to LHA rules (each identified by 15 per cent of London Borough Councils).

Interestingly, only in the Midlands was the 'Bedroom Tax' cited by any significant number of LAs (27%) as the primary welfare change contributing to increased homelessness in their area, but even here it was overshadowed by the extension of the SAR (cited by 45 per cent of Midlands LAs as the most damaging change). In the South, as in London, the LHA caps were the most often cited primary welfare change exacerbating

homelessness (37%), but here they were quite closely followed by the SAR (identified by 26 per cent of LAs in the South).

It is also clear from our 2015 survey that LAs took the view that DHPs played a substantial role in enabling them to moderate the increased homelessness which would otherwise have resulted from 2010-2015 welfare reforms (see Appendix 1, Table 12). With respect to families with dependent children, 48 per cent of LAs reported that DHPs had helped 'greatly' in their attempts to mitigate the homelessness impacts of welfare reform, with a further 37 per cent reporting that they had at least helped 'slightly' to alleviate family homelessness. The responses with regard to single people were somewhat less emphatic, with 29 per cent of LAs reported that they had helped alleviate homelessness amongst this group 'greatly' and 50 per cent that they had helped 'slightly'.

The regional figures suggest that the efficacy of DHPs with respect to homelessness prevention may have been slightly greater in the North than in London. For example, concerning single person households, 27 per cent of London boroughs reported that DHPs made little impact in helping to mitigate homelessness, whereas the comparable figure for Northern authorities was just 3 per cent.

3.4 Further welfare reforms proposed by the new UK Government

A further round of detailed welfare reforms and cuts were announced in the 2015 Summer Budget,²⁸⁶ and will take effect in the coming years, adding to the impacts on low income households from the continuation of the welfare cuts and reforms discussed above. These are major reforms that have particular implications for young single people and larger families, and more generally for the ability of low income

households to access the private rented sector. The main elements of these further cuts and reforms are outlined below:

- Young out of work people without children (aged 18-21) will cease to be eligible for housing support in new claims for Universal Credit from April 2017, unless deemed to be 'vulnerable'. Based on current claimant levels this could potentially impact on some 28,000 young childless households,²⁸⁷ depending on the extent of the exemptions. Universal Credit recipients in this age group will also be subject to an intensified regime of support and conditionality under the Youth Obligation and will after six months be expected to apply for an apprenticeship, traineeship, gain work experiences or be placed on a mandatory work placement.
- Universal Credit (UC) allowances will be limited to support for two children for new claims after April 2017, and the 'family element' will also be removed from tax credit and Universal Credit allowances for all new families after that date. By 2020/21 it is estimated that some 640,000 families with three or more children in Britain will have their Child Tax Credit or UC entitlements restricted to the rate for two children; while some 1,180,000 families will be impacted by the removal of the 'family' element and the first child premium;²⁸⁸
- The income thresholds for UC will also be reduced by cuts to the levels of the 'work allowance', to zero for childless households with housing costs (except for disabled claimants) and to £192 per month for families with children.
- The benefit cap for out of work claimants will be lowered to £13,400 a year for

single people and £20,000 for all other households, except in London where it will be lowered to £15,410 and £23,000 respectively. This will significantly extend the impact of the benefit cap on households both in and beyond London. The DWP Impact Assessment suggests that for Britain as a whole the numbers

impacted by the cap will increase fivefold to some 115,000.²⁸⁹

- Benefit rates (including LHA rates) will be frozen for four years from 2016/17.

Against all these changes, the Great Britain budget provision for DHPs will rise from £125 million this year to an average of £160 million over each of the next five years.

However, following widespread criticism, and having been rejected by the House of Lords, proposals to make further substantial reductions to tax credits were dropped in the Autumn Statement. While welcome, this will still leave the cut backs in Universal Credits in place, and undermine the argument that the new regime will improve work incentives. There will need to be far more extensive 'transitional protection' for many households at the point they are transferred from tax credits to Universal Credit.

A further reform announced in the 2015 Autumn Statement is that LHA rates will apply to limit HB payments to social sector tenants. While this will only apply from April 2018, and only in respect of new tenancies starting from April 2016, it will have a particular impact on young single people, as the very low SAR will in many areas be below social sector rents for one bedroom dwellings. The impact for other households is likely to be limited, although there are some areas, especially in Northern England,

²⁸⁷ Data for August 2015 extracted from DWP Stats Explore by authors.

²⁸⁸ DWP (2015) *Welfare Reform and Work Bill: Impact Assessment of Tax Credits and Universal Credit Changes to the Child Element and Family Element*. London: DWP.

²⁸⁹ DWP (2015) *Welfare Reform and Work Bill: Impact Assessment for the Benefit Cap*. London: DWP; DWP (2015) *Benefit Cap Quarterly Statistics: GB Households Capped to August 2015*. London: DWP.

where social rents are already close to LHA rates for smaller dwellings. Nor is it clear at this stage how these new provisions will interact with the 'Bedroom Tax' provisions.

The 2015 LA survey was conducted after the Summer Budget but ahead of the Autumn Statement. We asked LAs whether they envisaged the Summer Budget changes increasing homelessness amongst a range of household types in their area. With respect to all specified household type groups bar one (16-17 year olds), a majority of LA respondents anticipated that the 2015 budget welfare changes would further exacerbate homelessness pressures (see Table 14, Appendix 1). Concerns were particularly widely shared in relation to the impacts on large families (93 per cent of LAs considered that homelessness would rise as a result amongst this group) and to single 18-21s (86 per cent of LAs thought they would face increased homelessness). Notably, there was less evidence of clear regional patterns in these responses than there was on many other questions in our survey.

Finally, respondents were asked to comment on the role that they envisaged DHPs playing in offsetting any potential homelessness impacts resulting from these July 2015 Budget welfare changes. This evoked mixed views. Positive statements included, for example:

"Continuing DHP payments will be key in giving a breathing space to assist affected households to move to cheaper areas" (LA respondent, London, 2015)

"We currently use DHP to support those affected by the "bedroom tax" and would anticipate doing the same for those affected by other welfare reforms and we have sufficient availability in the current DHP budget to do this" (LA respondent, the North, 2015)

However, remarks of this kind were outnumbered by sceptical and/or critical

perspectives with the 'sticking plaster' metaphor frequently employed:

"They are inadequate to deal with the problem. They provide a temporary sticking plaster which ends us deferring homelessness and giving the appearance it is not welfare reform related" (LA respondent, London, 2015)

"While the Government swings the axe they throw us the plasters to try and stem the wounds – it's simply not sustainable" (LA respondent, the South, 2015)

The emotional impact on claimants was a theme emphasised by a number of LA respondents:

"The insidious nature of DHP has not been highlighted enough in moving away from a social security system that is governed by universal regulations and is based on need. People should be able to rely on a basic level of support whatever the circumstances... It is demeaning and stressful for recipients to have to go "cap in hand" to a local official on a regular basis to explain their very personal circumstances" (LA respondent, the South, 2015)

The specific point was made by several LAs that DHPs cannot be used to assist under 22s who will no longer have any level of entitlement:

"[DHPs will play no role] as you need a current claim in order to be entitled and 18-21 year olds who are evicted will not be entitled to have a current claim" (LA respondent, the South, 2015)

3.5 Key points

- There are concerns about the potential for the forced sale of high-value council houses, coupled with the loss of properties via the Right to Buy, and reduced new build development, to further deplete social housing resources already under tremendous pressure.
- Together with a potential weakening in local authority nomination rights to housing association properties, and growing difficulties in gaining access to the private rented sector, these recent policy developments seem likely to increase difficulties for local authorities in discharging their statutory homelessness duties.
- For those homeless or other vulnerable households who manage to access social or affordable rented housing, it may increasingly be offered as a time-limited stopgap, with Government proposing to make fixed term tenancies compulsory for most new council tenants, and possibly also new housing association tenants. The Government's 'Pay to Stay' proposals can likewise be interpreted as a move towards a more minimalist and conditional 'welfarist' model of social housing, albeit that this policy will remain voluntary for housing associations in light of the imperative to 'deregulate' this sector after its ONS reclassification.
- English local authorities report far greater difficulties providing 'meaningful help' to single homeless people, especially those aged 25-34, and to homeless people with complex needs, than they do to homeless families with children. Linked with this, there was majority support amongst English local authorities for a move towards the more 'universal' preventative model offered to all homeless households under the Housing (Wales) Act 2014. It has recently been reported that the Government is considering imposing a new homelessness prevention duty, along the lines of this Welsh model, and informed by the proposals of an independent panel established by Crisis to review the English homelessness legislation.
- Young people are three times more likely than older adults to experience homelessness, largely due to their heightened exposure to poverty. With relationship breakdown with parents/carers continuing to be the main trigger for youth homelessness, the financial pressure on families – combined with the low wages, insecure employment opportunities, welfare cuts and the challenges accessing affordable accommodation that young people face – are a growing cause for concern.
- The Shared Accommodation Rate limits for single people aged under 35 have already had a marked impact in reducing (by some 40 per cent) their access to the private rented sector. The Local Housing Allowance caps have also seen a similar reduction in the capacity of all low income households to secure, or maintain, private rented sector tenancies in the high vale areas of inner London.
- So far the overall benefit cap has had a limited impact, but this is set to increase fivefold with the advent of the lower caps announced in the Summer 2015 Budget, and will be highly problematic for larger families not just in London, but across the country
- The impact of the 'Bedroom Tax' has been mitigated by the use of Discretionary Housing Payments, but there are concerns that this will be difficult to sustain given the reduction this year in the overall budget for DHPs.
- There are also growing concerns about the impact on household finances from the

uneven support now provided by Council Tax Support schemes, and their interaction with the 'Bedroom Tax' and other welfare cuts that leave households needing to fund elements of their housing costs from the benefit incomes provided to meet their other basic living costs.

- There are continuing concerns about the many difficulties that the administrative arrangements for Universal credits pose for vulnerable households. The cuts to Universal Credit announced in the Summer Budget will also significantly erode the potential 'work incentive' benefits of the scheme.
- The impact of benefit sanctions on homeless people and those at risk of homelessness have become a core concern of LAs and homelessness service providers, especially in the North. New evidence indicates that, despite the introduction of 'homelessness easements' in 2014, homeless service users are twice as likely to be sanctioned as other JSA claimants as a result of systemic and personal barriers to compliance, rather than wilful non-compliance. The Government has indicated its openness to take some steps to mitigate the impacts of sanctions on vulnerable groups.
- The emergency welfare safety net has been substantially weakened by the localisation of the Social Fund and subsequent significant cuts to available funding for the optional replacement Local Welfare Assistance schemes. Some local authority areas have entirely ceased to operate Local Welfare schemes, with concerns over the accessibility, level and nature of assistance available in areas that continue to offer some assistance.
- Two-thirds of LAs in England reported that the 2010-2015 welfare reforms had increased homelessness in their area, with no LAs anywhere in the country reporting

that homelessness had decreased as result of welfare reform. Negative effects of welfare reform on homelessness levels were much more likely to be reported in London than in the North of England.

- The new welfare reforms announced in the Summer 2015 Budget and Autumn Statement of the current Conservative Government will have particularly marked consequences both for families with more than two children, and for young single people who will either potentially be entirely excluded from support with their housing costs (if 18-21 and not in work), or subject to Shared Accommodation Rate limits on eligible rents in the social as well as the private rented sector.

4. Homelessness trends in England

4.1 Introduction

Previous chapters have reviewed the possible homelessness implications of the post-2007 economic recession and subsequent recovery, and the post-2010 policy reforms instituted under the Coalition Government. This chapter assesses how far these are matched by recent homelessness statistical trends.²⁹⁰

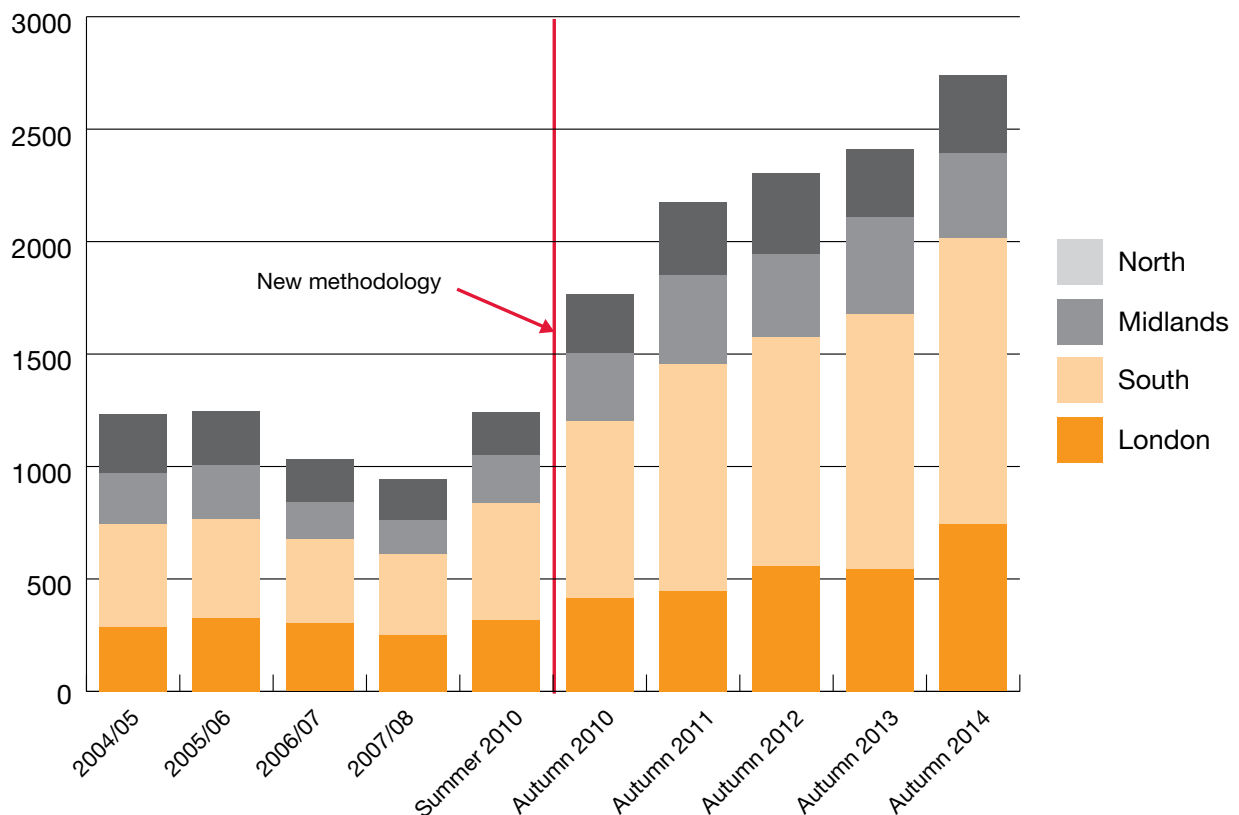
4.2 Rough sleeping

An ongoing upward trend in officially estimated rough sleeper numbers remained evident in 2014, with the national total up by 55 per cent since 2010. At 14 per cent, the

2014 annual increase was the largest since 2011. Most notably, the 2014 London total was up by 37 per cent over the previous year. Most of this increase resulted from a jump from 175 to 315 rough sleepers enumerated in the City of Westminster and the City of London (see Figure 4.1).

While (as in Westminster) some councils attribute their reported rough sleeper statistics to formal street counts, in the great majority of cases in 2014 these were declared as 'estimates'. Especially given the dominance of the 'approximation' approach

Figure 4.1 Trends in local authority rough sleeper estimates by region, 2004-2014



Sources: 2004/05-2007/08 – collated from Audit Commission Best Value Performance Indicators returns; Summer 2010 onwards – DCLG. Figures for the period to Summer 2010 are not strictly comparable with more recent estimates.

²⁹⁰ Analysis draws on the most up-to-date published and unpublished data available at the time of writing (Autumn 2015).

we believe it appropriate to refer to these figures, collectively, as ‘estimates’. Even where based on actual street counts, local authority rough sleeper enumeration remains vulnerable to many of the critiques of such methodologies as detailed in the 2012 Monitor.²⁹¹ Key issues here include (a) the problem that no street count can ever be wholly comprehensive, and (b) the fact that – given the shifting populations involved – ‘snapshot’ counts inevitably understate the numbers of those affected over a given time period (e.g. month or year). The DCLG national estimate of some 2,700 rough sleepers on any one night is probably therefore best regarded primarily as a basis for trends analysis rather than an attempt at a ‘true’ absolute number. A recent assessment by the UK Statistics Authority was critical of the official rough sleeping statistics in England, and concluded that they do not currently meet the required standards of trustworthiness, quality and value to be designated as ‘National Statistics’ (see further below).²⁹²

A notable recent development in rough sleeper enumeration is the Welsh Assembly Government’s 2014 move to adopt a new ‘service-based’ count methodology.²⁹³ Adapting a technique developed in the 1980s,²⁹⁴ this involved collaboration between local authorities and support agencies known to assist homeless people in each locality. Over a two week time-slot, participating organisations logged all rough sleeper enquiries to estimate the number of those affected at some point during (or throughout) the period. The Welsh Government considers that, by comparison with a street count, this ‘census’ approach “provides a better understanding of the

incidence of the rough sleeping”²⁹⁵, but this was disputed by one of our key informants, who argued that both service users and providers can be incentivised to exaggerate rough sleeping levels.

By far the most robust and comprehensive rough sleeper monitoring data in the UK remains the statistics collected routinely by the St Mungo’s Broadway CHAIN system in London.²⁹⁶ The CHAIN dataset confirms that – at least in London – the rising trend of rough sleeping substantially pre-dates the post-2010 welfare reforms (see Figure 4.2). Nevertheless, London rough sleeping has more than doubled since 2009/10 (up 106%), including a 16 per cent rise in the last year – the fastest rate of increase since 2011/12.

A major contributor here has been the growing representation of Central and Eastern European (CEE) nationals among London’s rough sleepers. Since 2009/10 CEE London rough sleepers have risen by no less than 188 per cent, as compared with the 71 per cent increase in UK-origin counterparts. The 2011 easing of CEE migrant worker benefit restrictions had no obvious impact on levels of rough sleeping amongst this group, although possibly more significant was the lifting of work restrictions on Bulgarians and Romanians in January 2014 (see further below). As indicated by Figure 4.2, those of UK origin accounted for less than half of London rough sleepers enumerated in 2014/15 (43%), while almost as large a number (36%) were CEE nationals (excluding those where nationality was ‘not known’). The sharp increase in London’s CEE rough sleeper numbers in 2014/15, up 37% on the previous year, may bear out the concerns

²⁹¹ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The homelessness monitor: England 2012*. London: Crisis.

²⁹² UK Statistics Authority (2015) *Assessment of Compliance with the Code of Practice for Official Statistics: Statistics on Homelessness and Rough Sleeping in England*. London: UK Statistics Authority.

²⁹³ Busch-Geertsema, V., Culhane, D., & Fitzpatrick, S. (2015) *A Global Framework for Understanding and Measuring Homelessness*. <http://ighomelessness.org/Docs/A-Global-Framework-For-Understanding-and-Measuring-Homelessness.pdf>

²⁹⁴ Thomas, M. (1983) *The Homeless in Brent and Lewisham*. London: Greater London Council

²⁹⁵ Welsh Assembly Government (unpublished, 2015) *National Rough Sleeping Count, Wales*, November 2014.

²⁹⁶ Because this method enumerates people who have slept rough during a given period (financial year) the resulting figures cannot be directly compared with the ‘point in time’ snapshot numbers produced under the DCLG national monitoring methodology as described above.

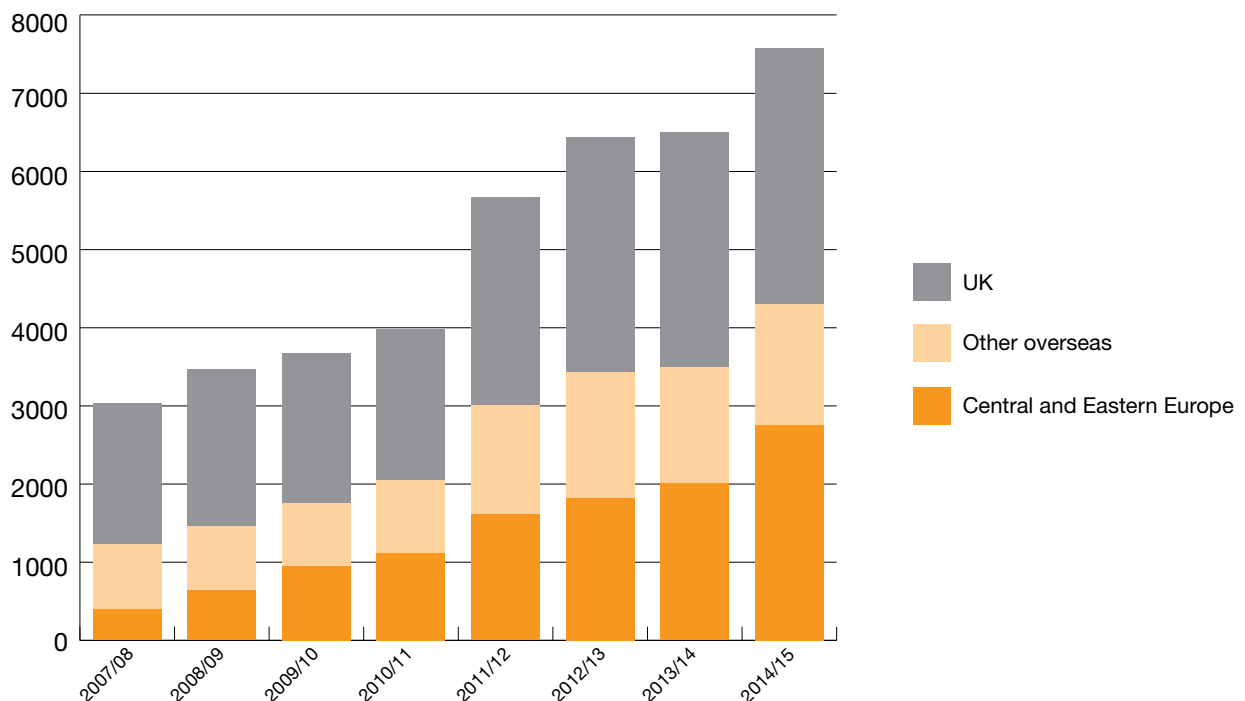
noted in last year’s homelessness monitor that April 2014 restrictions on the HB entitlements of European Economic Area (EEA) migrants²⁹⁷ could exacerbate the CEE rough sleeping problem. Under the new rules, if an affected EEA migrant ‘breaks their claim’, for example by moving out of a hostel, they lose their HB entitlement even if eligible for JSA.²⁹⁸ However, one key informant commented that most of the recent increase in CEE rough sleeping in London was accounted for by people coming to the UK for the first time, following the lifting of work restrictions on Romanian and Bulgarians, rather than displacement from hostels. In particular, there have been reports of growing

numbers of ‘non destitute rough sleepers’ amongst the Romanian Roma community, working for very low wages in the informal economy.²⁹⁹ Our key informant remarked that this group, most of whom are men, are:

“...committed to working, have limited accommodation options and many are reluctant to find accommodation which will increase their expenditure and reduce the amount of money that can be sent home to their families.” (Senior manager, single homelessness service provider, 2015)

The great majority of London’s rough sleepers are part of an annual ‘flow’ of newly

Figure 4.2 Rough sleeping in London 2007/08-2014/15: breakdown by nationality



Source: St Mungo’s ‘Street to Home’ monitoring reports (<http://data.london.gov.uk/dataset/chain-reports>) supplemented by unpublished data provided by St Mungo’s

²⁹⁷ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF

²⁹⁸ Homeless Link (2014) *Working with EEA Migrants: Good Practice Guidance for Homelessness Services*. London: Homeless Link.

²⁹⁹ Swain, J. (2015) ‘Sleeping rough, working rough - with the Roma in London’, *Ending Homelessness in London blog*, 28th March: <http://jeremyswain.blogspot.co.uk/2015/03/sleeping-rough-working-rough-with-roma.html>

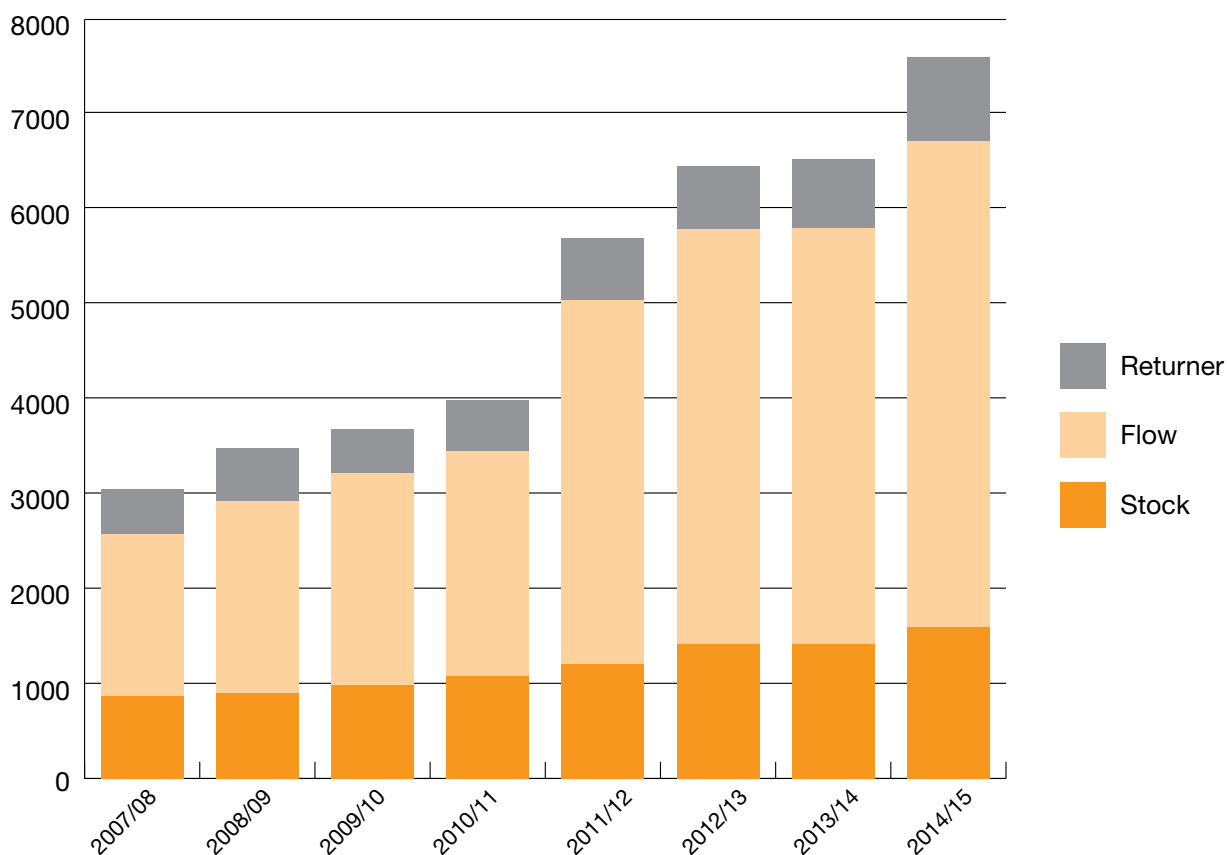
enumerated homeless, and this group have accounted for most of the rising trend in recent years, albeit that many in this group may spend only a very short period of time on the streets. However, nearly 2,500 were classed under the CHAIN system in 2014/15 as 'stock' or 'returner' cases – people also logged as rough sleepers in 2013/14 or in a previous year (see Figure 4.3).³⁰⁰

While accounting for only just over one in ten rough sleepers in the last statistics, numbers in the 'returner' category grew by 20% since 2013/14. Since returners are former rough sleepers who were 'off the streets' for at least

one year prior to 2014/15, important questions are raised by their growing numbers: how long have they been away, in what forms of accommodation have they been living, and what has prompted renewed homelessness?

As suggested in last year's Monitor,³⁰¹ one possible contributory factor may be cutbacks in Supporting People 'preventative' services (see Chapter 3) making it more difficult for vulnerable groups to sustain their accommodation, particularly those with mental health or substance misuse problems, with cannabis as well as 'harder' drugs and alcohol noted as key continuing concerns.

Figure 4.3 Rough sleeping in London 2007/08-2014/15: breakdown by stock/flow/returner



Source: St Mungo's 'Street to Home' monitoring reports <http://data.london.gov.uk/dataset/chain-reports>

³⁰⁰ 'Stock' cases are those involving rough sleepers enumerated in 2014/15 already logged as such in 2013/14; Flow: rough sleepers enumerated in 2014/15 but never previously seen sleeping rough; Returner: 2014/15 rough sleepers previously logged as rough sleepers before 2013/14, but not in 2013/14.

³⁰¹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF

Voluntary sector key informants also reported that the impact of welfare reform on rough sleeping was more often to increase the difficulty in securing PRS accommodation for those already on the streets, rather than to directly prompt a loss of accommodation leading to rough sleeping. That said, where eviction from PRS accommodation occurs prior to someone sleeping rough, this is most commonly precipitated by rent arrears and HB problems.

4.3 Single homelessness

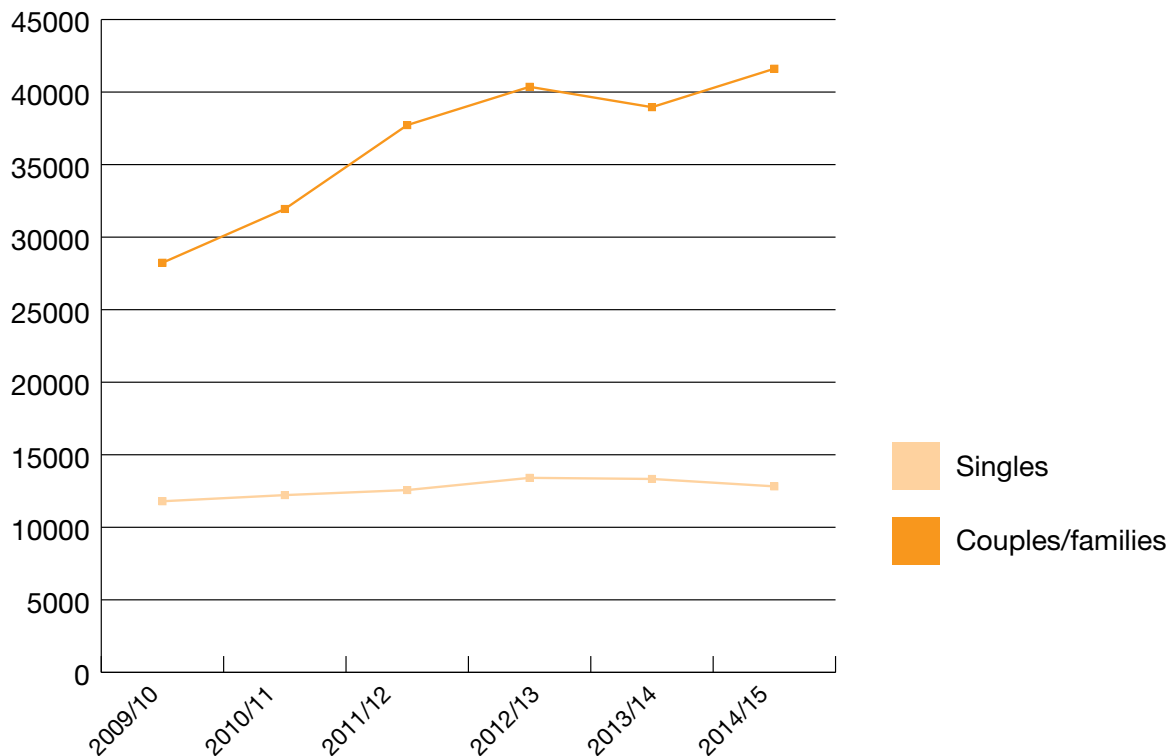
Data on single homelessness incidence and trends are hard to source. ‘Non-priority’ cases logged by local authorities provide one possible benchmark, given that most of these are likely to be single people assessed as not having a priority need. Nationally, across England, annual ‘non-priority homeless’

decisions have been running at around 20,000 in recent years with no clear sign of any upward (or downward) trend – see Figure 4.5 in the next section.

The homelessness legislation provides scope for certain categories of vulnerable single homeless people to be deemed ‘priority cases’ (see Chapter 3), and the resulting statistics thus provide another possible means of calibrating the issue. Notably though, the recent trend in single homelessness ‘acceptances’ has been relatively flat. As shown in Figure 4.4, such cases grew by only nine per cent in the five years to 2014/15, as compared with the 47 per cent increase seen for other types of household.

One possible interpretation of ‘flat’ single homelessness acceptances numbers is that

Figure 4.4 Trend in single person households accepted as unintentionally homeless and in priority need, 2009/10-2014/15



Source: DCLG – June 2015 statutory homelessness statistics

this results from an increased likelihood of being assisted by a local authority ‘informally’. However, this does not appear consistent with the official homelessness prevention and relief statistics (it is understood that ‘homelessness relief’³⁰² primarily involves single people). These data, as analysed in detail in Section 4.5, indicate that annual ‘homelessness relief’ caseloads actually fell back by 23 per cent in the five years to 2014/15 (from 24,000 to 16,000).

There are two remaining possible explanations for the relatively stable incidence of single homeless as measured via statutory homelessness records (see Figure 4.4). One is that the underlying growth in single homelessness has in fact been much lower than among families. The other, more plausible, explanation is that the recorded trend in single homelessness acceptances reflects an increasingly rigorous ‘pre Johnson’³⁰³ interpretation of vulnerability guidelines, implemented alongside a reduced priority placed on informally assisting single homeless people in the context of the resource pressures discussed in Chapter 3.

Relevant here is that – as indicated by our 2015 survey (see Appendix 1 and Chapter 3) – LAs report far greater difficulties in providing ‘meaningful help’ to single homeless people than they do to families with children. Moreover, only six per cent of authorities report being able to provide an ‘excellent’ homelessness prevention service for single person households, compared with 21 per cent who feel that they are able to offer such a service for families with children (see Appendix 1).

The statutory homelessness system thus excludes many single homeless people, for

whom there is no comparable integrated dataset, and where information on this group is compiled it is difficult to say how complete or comparable it is or what degree of overlap exists with the statutory numbers.

We attempt to bridge this gap by compiling a reconciliation of numbers for England from different sources for a couple of recent years in order to estimate the total number of homeless adults in England, and within that the approximate scale of single homelessness. These sources are, on the one hand, the statutory homelessness returns and homeless prevention and relief returns from local authorities and, on the other, analyses of data from the Support People Short Term Services Client Records for 2010/11 and 2012/13, carried out as part of the *Hard Edged* study.³⁰⁴

Supporting People (SP) records cover the housing-related support services dataset that included most publicly-funded single homelessness services and covered all higher tier (social services) authorities in England in 2010/11, and a majority still in 2012, although this system has now ceased being compiled. These data enable us to identify people whose primary need for support related to homelessness, but also those clients with other support needs who also had a homelessness issue. They also enable identification of overlaps with statutory homelessness.³⁰⁵

The results are summarised in Figure 4.5. Firstly, and perhaps unsurprisingly, total numbers of homeless adults over the year are far greater than statutory homeless ‘acceptances’ by local authorities, 191,400 vs 53,500. Secondly, a majority of these homeless adults are ‘single homeless’ rather

302 ‘Homelessness relief’ is officially defined as where an authority has been unable to prevent homelessness but helps someone to secure accommodation, even though the authority is under no statutory obligation to do so.

303 As discussed in detail in Chapter 3, a Supreme Court ruling in May 2015 on the joined cases of Johnson, Kanu and Hotak made significant changes to the “vulnerability” test for those aged over 18.

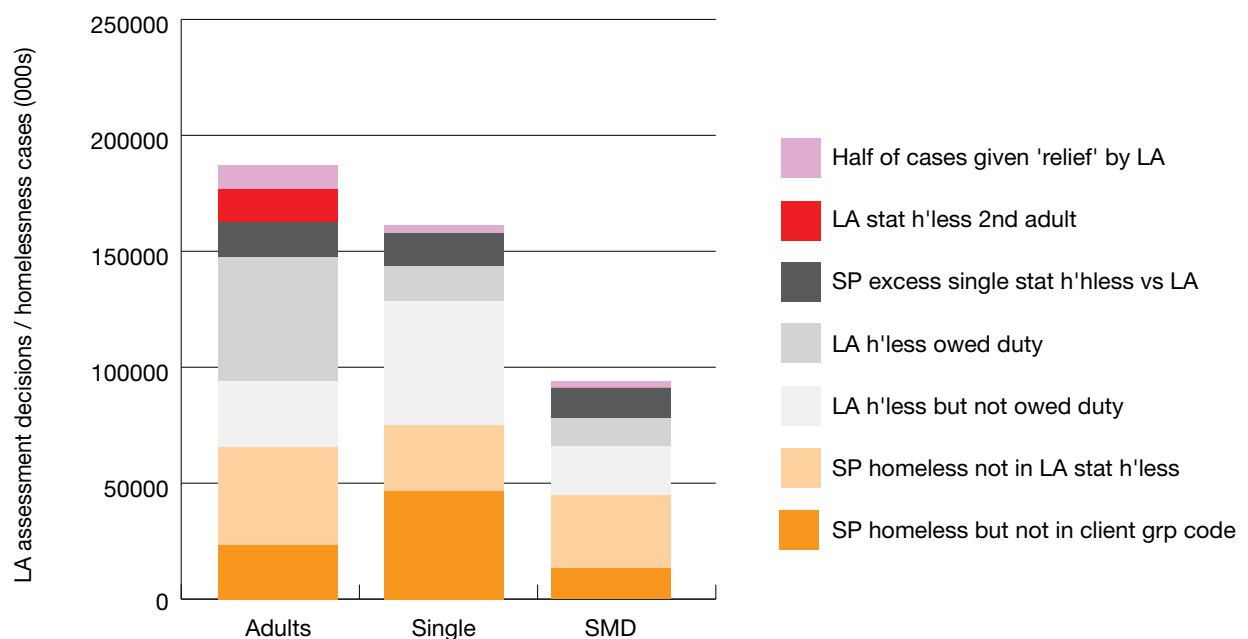
304 Bramley, G., Fitzpatrick, S., Edwards, J., Ford, D., Johnsen, S., Sosenko, F., & Watkins, D. (2015) *Hard Edges: Mapping Severe and Multiple Disadvantage*. London: Lankelly Chase Foundation.

305 SP numbers are grossed up to allow for clients without unique IDs and for the LAs not making returns in 2012/13.

than families, 123,150 vs 68,250. Thirdly, a majority of these single homeless adults (93,750) have ‘complex needs’, or ‘severe and multiple disadvantage’, defined as experiencing two or more of the domains of homelessness, substance misuse or chronic offending.³⁰⁶ Fourthly, the estimates from these combined administrative sources come remarkably close, in total, to the number of adults estimated to experience homelessness in England in a year prior to 2012 from retrospective questions in the completely independent UK Poverty and Social Exclusion Survey (185,000).³⁰⁷ It may be argued that these numbers may

understate overall homelessness, including rough sleeping, by omitting people who do not approach either a LA or a single homelessness agency; this may particularly affect people with transitory problems but possibly also other groups including some migrants. The Poverty and Social Exclusion (PSE) survey estimates mentioned are also potentially subject to some downward biases associated with non-response and institutional/non-household populations (See Appendix D to the 2015 England Monitor).³⁰⁸ In addition, it should be noted that some of the data drawn upon – including statutory homelessness acceptances and SP records

Figure 4.5 Overall estimate and reconciliation of homeless numbers (adults) for England 2012/13



Sources: Authors’ analysis of Supporting People client record datasets for 2010/11 and 2012/13, and of Local Authority returns on Statutory Homelessness and Homelessness Prevention and Relief published in DCLG Live Tables.

306 Bramley, G., Fitzpatrick, S., Edwards, J., Ford, D., Johnsen, S., Sosenko, F., & Watkins, D. (2015) *Hard Edges: Mapping Severe and Multiple Disadvantage*. London: Lankelly Chase Foundation.
 307 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF
 308 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF

– capture only those single homeless people with additional support needs or vulnerabilities. It is possible, therefore, that Figure 4.5 somewhat overstates the proportion of the single homeless population that experiences severe and multiple disadvantage. See Appendix 2 for a technical note which explains the estimation process for Figure 4.5 in more detail.

4.4 Youth homelessness

Young people under 25 are one specific section of the single homeless populations discussed above, and the statutory homeless population discussed below, but here we give them separate attention in light of the very important policy developments, particularly on welfare, affecting this group in recent years (see Chapter 2).

There have been significant declines in levels of ‘official’ statutory youth homelessness (the number of young people owed the rehousing duty by local authorities) in England since 2008/09. This is primarily attributed to the introduction of preventative ‘Housing Options’ approaches, though may also reflect the impact of the Southwark Judgement (see Chapter 3) and, more negatively, unlawful ‘gatekeeping’ in some areas.³⁰⁹

“...overall they’re [local authorities] saying there’s not an increase, by and large [in statutory youth homelessness]. But whether there are young people informally knocking on the door or ringing up and asking for help, I think the picture is really, we just don’t know. But I think there’s quite

a lot of sofa-surfing and young people making informal temporary arrangements”
(National voluntary sector representative).

In any case, existing evidence suggests that declines in official ‘statutory’ homelessness have been offset by increases in other forms of homelessness.³¹⁰ It was recently estimated that a total of 83,000 young people were in touch with homelessness services in the UK in 2013/14.³¹¹ This estimate combines statutory data on levels of ‘official’ homelessness and other data sources. In light of previous (though not directly comparable) estimates,³¹² this suggests that levels of youth homelessness have been broadly stable over the past decade.³¹³ That said, a 40 per cent increase in the number of 18-25 year olds sleeping rough in London since 2011/12 has been a cause of considerable concern.³¹⁴ However, it should also be noted that the number of under 18s sleeping rough in London is consistently very low, with only nine such cases recorded in the whole of 2014/15.³¹⁵

According to one recent estimate, based on a bespoke telephone survey, as many as one in five young people ‘sofa-surfed’ during 2013/14.³¹⁶ These figures are much larger than estimates based on large-scale household surveys which indicate that a lower figure of 7.6% of 16-24 year olds report experiencing homelessness in the last 5 years and 60,000 experience sleeping rough or forms of temporary accommodation that they regard as tantamount to homelessness per year.³¹⁷ While for some young people sofa-surfing appears to be a short-term and

309 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University; Dobie, S., Sanders, B., & Teixeira, L. (2014) *Turned Away: The Treatment of Single Homeless People by Local Authority Homelessness Services in England*. London: Crisis; Centrepoin. (2015) *Beyond Statutory Homelessness*. London: Centrepoin.

310 Ibid.

311 Clarke, A., Burgess, G., Morris, S., & Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. Cambridge: Cambridge Centre for Housing and Planning Research.

312 Quilgars, D., Fitzpatrick, S., & Pleace, N. (2011) *Ending Youth Homelessness: Possibilities, Challenges and Practical Solutions*. York, UK: Centre for Housing Policy, University of York & School of the Built Environment, Heriot-Watt University; Quilgars, D., Johnsen, S., & Pleace, N. (2008) *Youth Homelessness in the UK: A Decade of Progress?* York: JRF.

313 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

314 Authors’ own analysis of CHAIN data.

315 Ibid.

316 Clarke, A., Burgess, G., Morris, S., & Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. Cambridge: Cambridge Centre for Housing and Planning Research.

317 Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for The OVO Foundation*. Edinburgh: Heriot-Watt University.

safe experience enabling them to get back on their feet and avoid formal homelessness services, for others it involves a lack of privacy and insecurity, and places them in risky or exploitative situations.³¹⁸

4.5 Statutory homelessness

Interpreting national trends

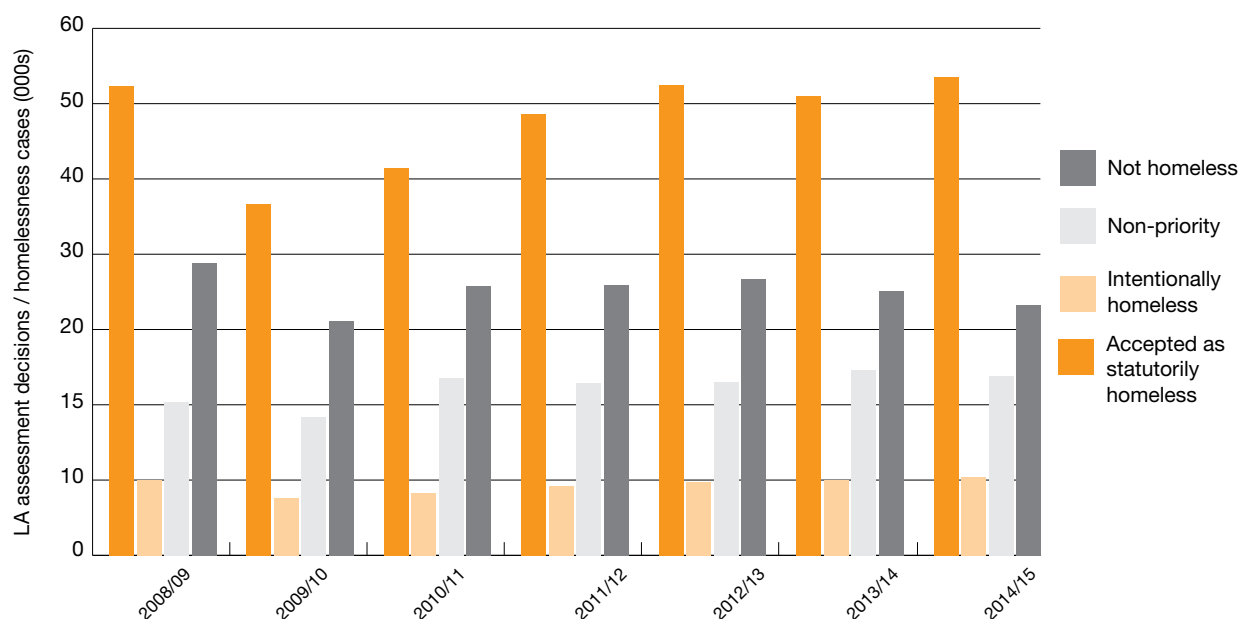
The term ‘statutory homelessness’ refers to LA assessments of applicants seeking help with housing due to imminent loss of accommodation or actual ‘rooflessness’, formally dealt with under the homelessness provisions of the Housing Act 1996.

Nationally, the three years to 2012/13 saw a marked expansion in the recorded statutory homelessness caseload, as reflected by the total number of formal LA assessment decisions. As shown in Figure 4.6, these grew from 89,000 in 2009/10 to 113,000 in

2012/13. Similarly, households ‘accepted as homeless’ (formally assessed as unintentionally homeless and in priority need) rose by 34 per cent over this period.

Over the past two years, however, the national statutory homelessness caseload largely stabilised. In 2014/15 the total number of decisions remained static, albeit at 26 per cent above the 2009/10 level. Statutory homelessness acceptances (that sub-group of decisions involving households deemed unintentionally homeless and in priority need) rose four per cent in 2014/15 to a level 36 per cent above their 2009/10 low point. The most recent quarterly figures indicate that this gently rising trend in statutory homelessness acceptances continues, with 14,670 households accepted from July to September 2015 – 4 per cent higher than the same quarter in 2014.³¹⁹

Figure 4.6 Statutory homelessness assessment decisions, 2008/09-2014/15



Source: DCLG – June 2015 statutory homelessness statistics

318 Coram Voice (2014) *The Door is Closed: A Report on Children who are Homeless because they are Failed by the System which is Supposed to Protect them*. London: Coram Voice; Clarke, A., Burgess, G., Morris, S., & Udagawa, C. (2015) *Estimating the Scale of Youth Homelessness in the UK*. Cambridge: Cambridge Centre for Housing and Planning Research; Watts, B., Johnsen, S., & Sosenko, F. (2015) *Youth Homelessness in the UK: A Review for the OVO Foundation*. Edinburgh: Heriot-Watt University.

319 DCLG (2015) *Statutory Homelessness: July to September Quarter 2015 England*. London: DCLG.

In interpreting such trends, however, it is crucial to factor in changes in administrative practice. While statutory homelessness acceptances fell 70 per cent in the six years preceding the low point recorded in 2009/10, no one suggests that this resulted from an easing in the availability of affordable housing. Rather, it is widely understood as a product of the Government-driven roll-out of a more pro-active homelessness prevention ('Housing Options') approach by local authorities across the country from 2002/03.³²⁰

Despite its status as a policy initiative originally identified with previous Labour administrations, it is clear from the research team's 2014 local authority survey that take-up of 'active homelessness prevention' is a process that has continued since 2010. For some authorities this was associated with the adoption of private sector 'discharge of duty' powers (under the Localism Act 2011) which were seen as an additional disincentive for applicants to pursue a claim of homelessness under the statutory framework – see our 2015 report for fuller explanation.³²¹ This matters because those assisted 'informally' go uncounted as far as the statutory homelessness statistics are concerned (albeit that such cases should be captured in the homelessness prevention and relief data reviewed below).

All of this suggests that, as a reliable indicator of the changing scale of homelessness in recent years, the statutory homelessness statistics now have limited value. On the basis of the 2014 local authority survey results it is clear that (a) the apparent 26 per cent expansion of 'homelessness expressed demand' in the five years to 2014/15 undoubtedly understates the true increase,

and (b) the apparent demand stabilisation in 2014/15 cannot be seen as a true reflection or underlying homelessness dynamics.³²² As also set out later in this chapter, findings from our 2015 local authority survey further enhance analysis based on published statutory homelessness data.

Interpreting regional trends in statutory homelessness

While the gross numbers undoubtedly understate the increase in 'homelessness expressed demand' over recent years, data collected via the statutory homelessness monitoring system may nonetheless provide some meaningful indication of regional trends. As shown in Figure 4.7, such patterns have been highly contrasting. The 2014/15 figure for the North of England remained 10 per cent lower than in 2009/10 (the national nadir). In London, meanwhile, the latest figures were 85 per cent higher than five years earlier.

Generally, 2014/15 saw a perpetuation of previous trends, with London and the South diverging further from the Midlands and the North. This pattern suggests housing system factors have been continuing to play an important underlying role, alongside the disproportionate impacts of certain welfare reform measures in London in particular (see Chapter 3). As imperfectly captured by the statutory homelessness statistics, such stress has been increasingly acute in the more pressured markets in and around the capital, while (possibly due to increasingly active prevention activity, see above) actually declining in the Midlands while remaining at a relatively low level in the North (see Appendix 1).

Interpreting trends in homelessness causes
At almost 54,000, annual homelessness

³²⁰ Pawson, H. (2009) *Homelessness policy in England; Promoting gatekeeping or effective prevention?* in: Fitzpatrick, S. (ed) *Homelessness Problems, Policies and Solutions*. Coventry: CIH; Pawson, H. (2007) *Local authority homelessness prevention in England: Empowering consumers or denying rights?* *Housing Studies*, 22(6): 867-884.

³²¹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The homelessness monitor: England 2015*. London: Crisis/JRF

³²² That said, it should be noted that one of our key informants this year suggested that, outside of London, there may be more family-sized accommodation as a result of the 'Bedroom Tax' which may be helping to 'keep the lid on' the growth of statutory homelessness acceptances, even as 'footfall' in terms of homeless households and those at risk approaching LAs continues to climb.

acceptances were 14,000 higher across England in 2014/15 than in 2009/10. The vast bulk of this increase resulted from the sharply rising numbers made homeless from the private rented sector, with annual losses of Assured Shorthold Tenancies (ASTs) having almost quadrupled over the period – from 4,600 to 16,000 – see Figure 4.8. As a proportion of all statutory homelessness acceptances, such cases had consequentially risen from 11 to 29 per cent since 2009/10.³²³

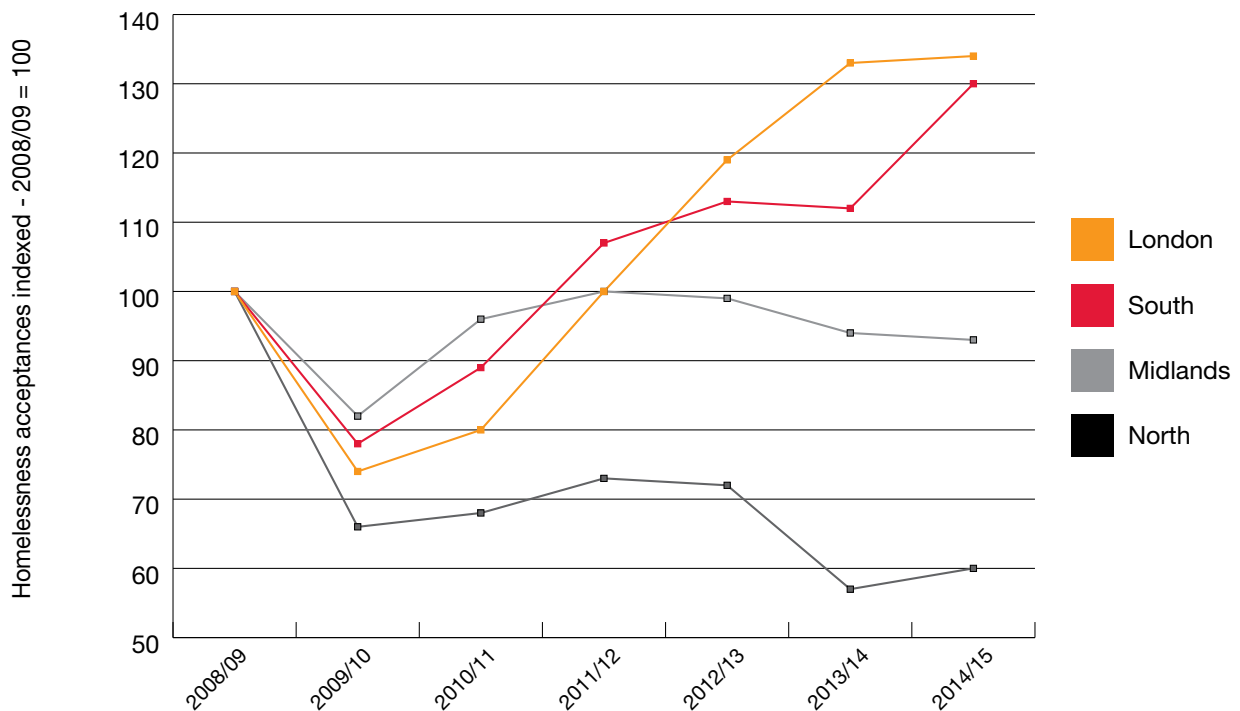
In London, the upward trend in AST terminations has been even starker: in 2009/10 these accounted for ten per cent of London homelessness acceptances. By 2014/15 this had escalated to 39 per cent. To put this another way, the annual number of London acceptances resulting from AST termination rose from 925 to 6,790 in the five years to 2014/15.

The research team’s 2015 local authority survey also shed light on the factors contributing to recently rising homelessness. Asked about the likely reasons, survey respondents cited a variety of issues. Most commonly, participants referred to a rising tide of applicants being displaced from private rental housing. In many instances this was linked with welfare reforms which have exacerbated the vulnerability of low income renters or which have made landlords less inclined to let to benefit-recipient households:

“Increase in private sector evictions, largely due to benefit changes” (LA respondent, the South, 2015)

“...landlords are evicting tenants reliant on benefit, and we are procuring far less in the PRS to offer clients at risk

Figure 4.7 Homelessness acceptances, 2008/09-2014/15: trends at broad region level indexed



Source: DCLG - June 2015 statutory homelessness statistics (includes analysis of unpublished data).

of homelessness to prevent them from becoming homeless.” (LA respondent, London, 2015)

More often, however, respondents saw housing market changes and pressures as being the primary driver:

“Termination of ASTs as landlords cash in on property market either through bumping up rents massively or as sales. Also the AST market is now completely dysfunctional and not working as a homeless prevention tool” (LA respondent, the South, 2015)

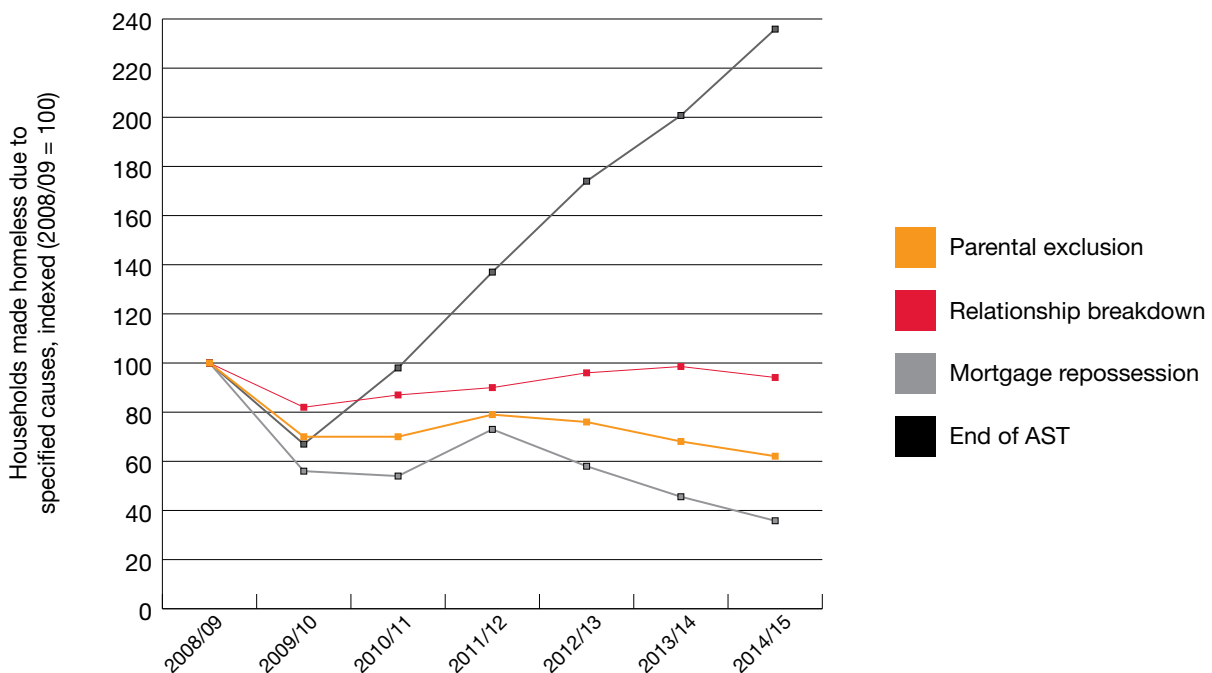
Rising rates of homelessness due to loss of ASTs will in part reflect the knock-on consequences of growing numbers of low income households being accommodated in the PRS (see Chapter 2). As intimated in the quote above, one (likely small) component of this may be involve the tens of thousands of households annually helped by LAs to avert

homelessness through assisted access to a private tenancy (see below). In depth research on the circumstances and housing histories of households accepted as homeless due to loss of ASTs could be instructive.

As described by one of our key informants, the main factor will often simply be that in strongly rising markets private landlords have better options than to let to benefit-dependent or homeless households:

“... [private landlords are] just not interested in negotiating. They just know they can get a better deal somewhere else. This is before we even get to the fear factor of Universal Credit and direct payment... even in areas that you wouldn't expect to see that London effect, the landlords have alternative[s] such as students, but more importantly Eastern European workers...” (National housing expert, 2015)

Figure 4.8 Change in number of households made homeless due to selected immediate causes, 2008/09-2014/15 – indexed



Source: Collated from DCLG statutory homelessness statistics

As emphasized in Figure 4.8, however, the official figures suggest that homelessness attributed to mortgage arrears and repossessions has continued to fall in recent years, and these remain at historically low levels at just one per cent of 2014/15 homelessness acceptances. And although social housing rent arrears evictions have been rising sharply (housing association arrears repossessions are up by 38 per cent in the past three years)³²⁴, this does not (yet) appear to have fed through into recorded homelessness: the number of arrears-triggered acceptances has remained extremely low at three per cent of 2014/15 acceptances).

An important qualification should, however, be borne in mind here. The statutory homelessness statistics present only an element of the overall story, and that this partial picture has recently been further restricted through changing local authority administrative practice (see above). Another potentially significant instance of the statistical distortions which may result from this system is the understatement of rent arrears as a cause of homelessness. This is because loss of accommodation due to arrears can be deemed by local authorities as 'intentional homelessness'. Hence, lacking entitlement to the full rehousing duty, the households concerned will be excluded from the 'acceptances' statistics and the associated 'reason for homelessness' breakdown.

Homeless households in temporary accommodation

Since bottoming out in 2010/11, homeless placements in temporary accommodation (TA) have risen sharply, with the overall national total rising by 12 per cent in the year

to 30 June 2015; up by 40 per cent since its low point four years earlier.

The bulk of TA placements are in self-contained housing (both publicly and privately owned). However, although accounting for only eight per cent of the national TA total as at 30 June 2015, B&B placements rose sharply in the most recent year. Totalling 5,630, the number of placements was 23 per cent higher than a year previously and no less than 200 per cent higher than in 2009.

Signs of stress are also evident in the growing proportion of TA placements beyond local authority boundaries. As at 30 June 2015 these accounted for 17,640 placements – 26 per cent of the national total, up from only 11 per cent in 2010/11.³²⁵ Such arrangements mainly involve London boroughs. Since they are liable to result in social disruption and possible disconnection from employment, schooling, social work or other support services, their rising incidence gives cause for concern.³²⁶ Associated concerns were heightened by the recent evidence that in only a minority of instances have 'placing authorities' been properly notifying 'receiving authorities'.³²⁷ Cross-boundary placements create difficulties for 'receiving authorities' in meeting their own homelessness demands, as they often struggle to compete with the incentives offered to private landlords by London boroughs to accommodate their homeless households. In recognition of this, a deal has recently been struck between some London boroughs and councils in the West Midlands to agree on fixed maximum incentive payments.³²⁸

³²⁴ See Table 21 in *Homes and Communities Agency (2015) Private Registered Provider Social Housing Stock in England: Statistical Data Return 2014/15*. London: HCA https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464349/SDR_2014-15_full.pdf

³²⁵ DCLG (2015) *Statutory Homelessness: April to June Quarter 2015 England*. London: DCLG.

³²⁶ Spurr, H. (2014) 'Transparency urged over out-of-London homeless placements', *Inside Housing*, 10th January: <http://www.insidehousing.co.uk/transparency-urged-over-out-of-london-homeless-placements/7001590.article>

³²⁷ Douglas, D. (2015) 'Councils' out of area placements breaking the law', *Inside Housing*, 23rd April <http://www.insidehousing.co.uk/policy/health-and-care/homelessness/councils-out-of-area-placements-breaking-the-law/7009398.article>

³²⁸ Spurr, H. (2015) 'Councils strike deal on out-of-London homeless moves', *Inside Housing*, 26th October: <http://www.insidehousing.co.uk/councils-strike-deal-on-out-of-london-homeless-moves/7012425.article>

4.6 Local authority homelessness prevention and relief

Prevention and relief activity: the big picture

As officially defined, 'homelessness prevention' means:

"providing people with the ways and means to address their housing and other needs to avoid homelessness".

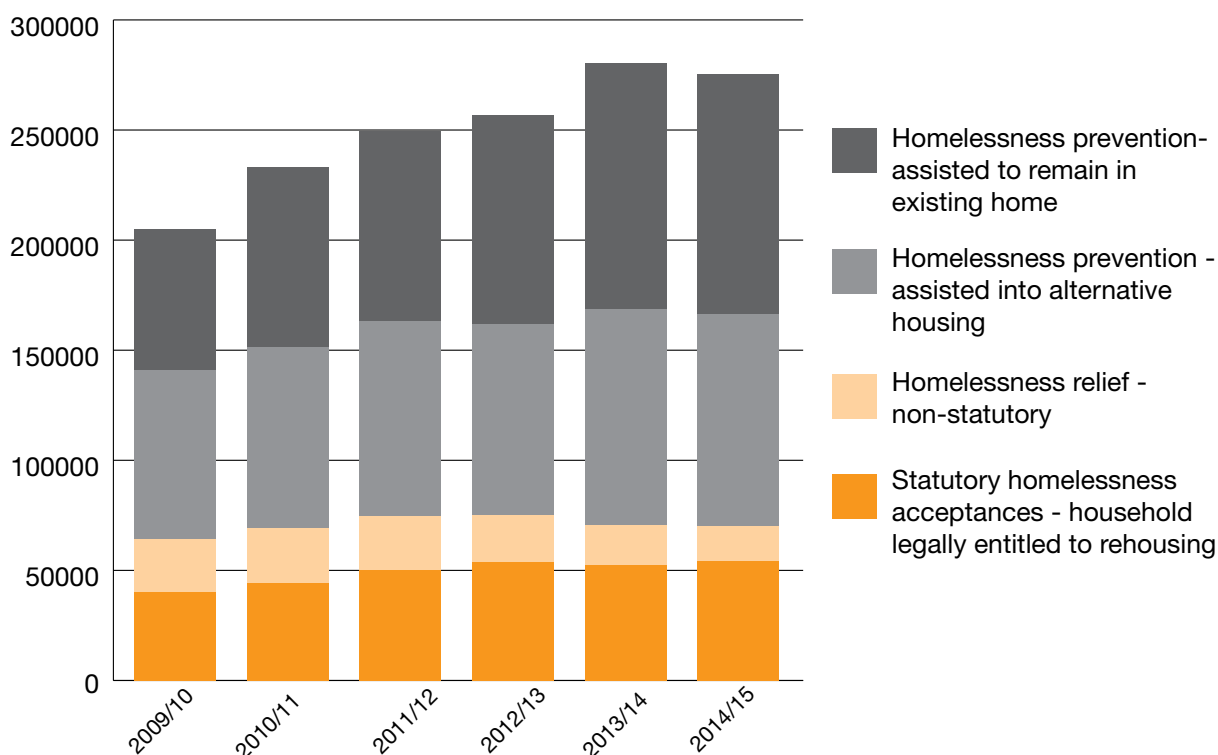
As an allied form of non-statutory assistance, 'homelessness relief' is defined as:

"where an authority has been unable to prevent homelessness but helps someone to secure accommodation..."³²⁹

As discussed in Section 4.4, LA staff testimony confirms that recent years have seen a continuing trend towards a primarily non-statutory approach to homelessness whereby a growing proportion of cases are handled through informal advice and assistance rather than through a formal 'Part VII assessment'. In 2014/15 the former outnumbered statutory homelessness acceptances by more than three to one (see Figure 4.9).

Linked with the above, and as discussed earlier, 2015 LA survey respondents acknowledged that the statutory homelessness statistics have been of declining value as an indicator of trends over time in overall homelessness demand. Over 80 per cent of 2015 survey respondents believed that 'the combined total of statutory homelessness

Figure 4.9 Overview of local authority action to assist homeless (and potentially homeless) households



Sources: DCLG statistics on statutory homelessness and on homelessness prevention and relief, 2015

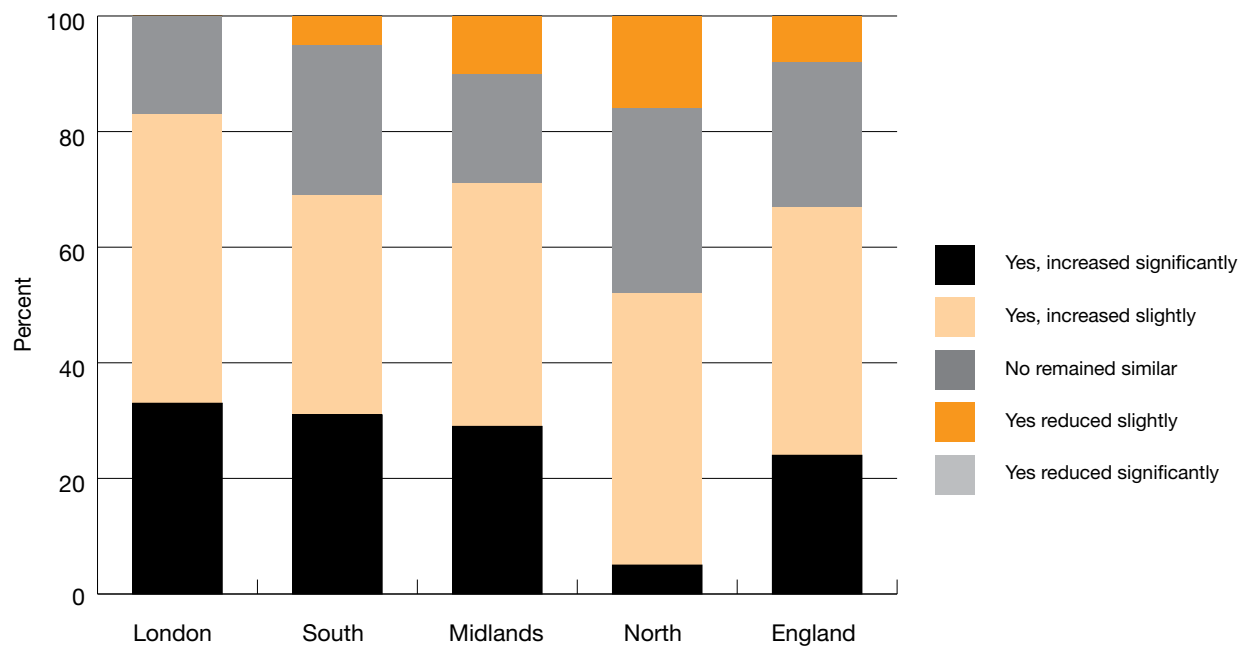
acceptances, homelessness prevention and homelessness relief actions’ was a better guide to such patterns than the statutory homelessness figures alone (see Appendix 1).

However, applying this logic to the pattern shown in Figure 4.9 suggests that the gross volume of demand in fact fell back in 2014/15. Albeit that the cumulative total remained 34 per cent above that in 2009/10, the recorded year on year trend was downward for the first time in five years. The data may be interpreted as indicating a decline in overall homelessness, but, we consider this unlikely, since it lacks consistency with the pattern of responses to the more directly phrased LA survey question as set out in the title to Figure 4.10. As shown here, two thirds of LA survey respondents considered that overall service demand

‘footfall’ had increased in 2014/15, while less than one in ten reported that it had decreased slightly (no-one claimed a recent significant homelessness reduction). For almost a quarter of local authorities (a third in London) the 2014/15 increase had been ‘significant’ rather than ‘slight’.

Thus, LAs report that, in charting trends in overall homelessness demand, the combined total of prevention/relief/acceptances statistics is preferable to statutory homelessness numbers alone. And yet the 2014/15 downturn depicted by this preferred index (see Figure 4.9) seems inconsistent with informed views on recent changes in homelessness service footfall (see Figure 4.10). One possible explanation for this apparent conflict is that, while preferable to an exclusive focus on the statutory homelessness statistics,

Figure 4.10 Question to local authority survey respondents: has the overall flow of people seeking assistance from your Housing Options/homelessness service changed over the past year?



Source: Local authority online survey 2015 (N=152)

the prevention and relief numbers remain imperfect for this purpose. This should not be surprising since these figures are fundamentally a (service) supply measure rather than a demand indicator. This means that like, say, hostel occupancy statistics as a measure of single homelessness, such figures are subject to capacity constraints.

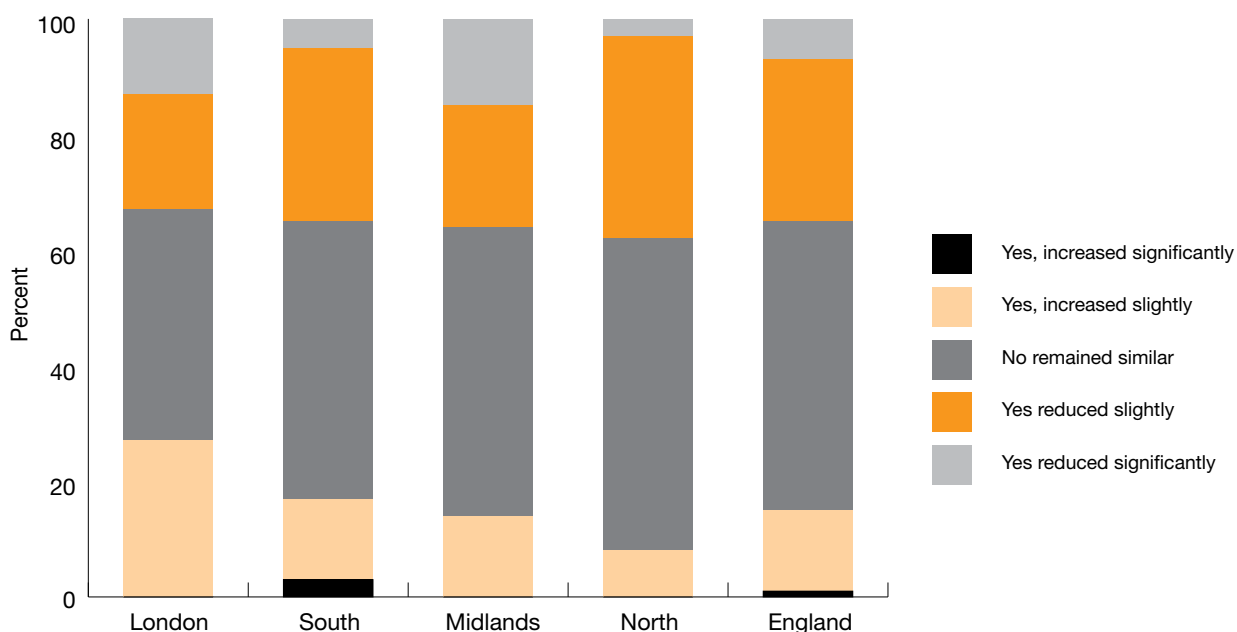
Relevant to the question of ‘service capacity’ is service resources. Local authorities have, of course, been coping with intensifying financial pressures since 2010 (see Chapter 3).³³⁰ However, during the 2010-2015 period the former Coalition Government stood by initial commitments that its specific homelessness services funding would be shielded from spending cuts. How has the combination of these factors recently impacted on homelessness services? As shown in Figure 4.10, the

balance of responses suggests that 2014/15 saw Housing Options/homelessness service resources tending to be cut back rather than increased. Notably, this was even true in London – the region which appears to have seen the most significant increase in homelessness demand during the year (see Figure 4.11).

Bearing in mind all of the above, it seems likely that funding constraints have begun to limit LAs’ homelessness service capacity (see Figure 4.11), particularly with respect to the ‘non statutory’ relief and prevention duties. While it cannot be proven, this appears a plausible explanation for the fact that homelessness demand is perceived to have continued to grown, while service caseloads have slightly fallen back.

Certainly many respondents to the 2015 LA survey were concerned that – even taking ac-

Figure 4.11 Question to local authority survey respondents: has the staffing budget and other revenue resources for your Housing Options/ homelessness service changed over the past year?



Source: Local authority online survey 2015 (N=144)

³³⁰ Hastings, A., Bailey, N., Bramley, G., Gannon, M. & Watkins, D. (2015) *The Cost of the Cuts: The Impact on Local Government and Poorer Communities*. York: JRF

count of the prevention and relief monitoring regime – the system still fails to fully capture the real level of homelessness ‘footfall’ that they experience. A similar point was made by one of our key informants who highlighted what they viewed as the key weakness in the current recording system:

*“The one bit that fell down on that prevention recording system was **unsuccessful** prevention, if that... managed to be more accurate... Then you could almost measure your footfall from preventions, unsuccessful preventions and the statutory system as well..”*
(National housing expert, 2015)
[emphasis added]

Chiming with this, almost half the LA respondents to our 2015 survey (45%) considered that there was scope for enhancing the standard homelessness returns. The most commonly identified shortcoming related to the recording of detailed information (eg reason for homelessness) only in respect of households accepted as statutory homeless:

“Full details are only kept on those that are accepted a full duty and this does not reflect the bigger picture” (LA respondent, the South, 2015)

“[There is a need for a] Full breakdown of reasons etc. for all categories – not just full duty acceptances” (LA respondent, the North, 2015)

“Homeless decisions / acceptances are only the tip of the iceberg, and for us here are pretty meaningless and no reflection whatsoever of people accessing our service” (LA respondent, the North, 2015)

Highly relevant here is a recent assessment by the UK Statistics Authority which

concluded that the official Homelessness Prevention and Relief, and the Rough Sleeping statistics (see above), do not currently meet the required standards of trustworthiness, quality and value to be designated as ‘National Statistics’,³³¹ For the Prevention and Relief statistics, the Authority emphasised the importance of publishing them every quarter and enhancing their content to cover, for example, the characteristics of affected households and the reasons for their homelessness or threatened homelessness. For the Rough Sleeping statistics, the key first step required by the Authority is for Government statisticians to demonstrate greater control over decision making around their collection. While the Statutory Homelessness Statistics have (narrowly) retained their National Statistics status, this *“fine judgement”*³³² was on condition that urgent action is taken by Government statisticians to make a series of required improvements, including placing them in their proper context. In making this latter point, the UK Statistics Authority findings chime with those of the homelessness monitor series in stressing the importance of presenting the homelessness prevention, relief and statutory acceptance figures together as an *“integrated package”*³³³ in order to avoid *“misleading interpretation”*.³³⁴

The nature of local authority homelessness prevention and relief work

Limited as they are, the data on ‘successful’ prevention actions does provide an indication of the balance of activities, which has tended to shift towards helping service users to *retain existing accommodation* rather than to *obtain new housing*. As shown in Figure 4.12, assisting people in accessing private tenancies is no longer the largest single form of prevention activity. Since 2009/10, the

³³¹ UK Statistics Authority (2015) Assessment of Compliance with the Code of Practice for Official Statistics: *Statistics on Homelessness and Rough Sleeping in England*. London: UK Statistics Authority.

³³² Ibid, para 1.5.

³³³ Ibid, para 1.5.

³³⁴ Ibid, para 1.10.

annual volume of such cases has dropped by 19 per cent. This trend probably reflects both the state of the housing market and the HB reforms which – by restricting entitlements – will have made it more difficult to secure private tenancies for certain categories of applicant.

The most striking homelessness prevention ‘growth activity’ has involved debt advice and financial assistance which, in 2014/15, accounted for over 50,000 prevention instances – up from only 16,000 in 2009/10 (see Figure 4.12). This would seem highly consistent with the anticipated impacts of welfare reform on those in precarious housing circumstances (see Chapter 3).

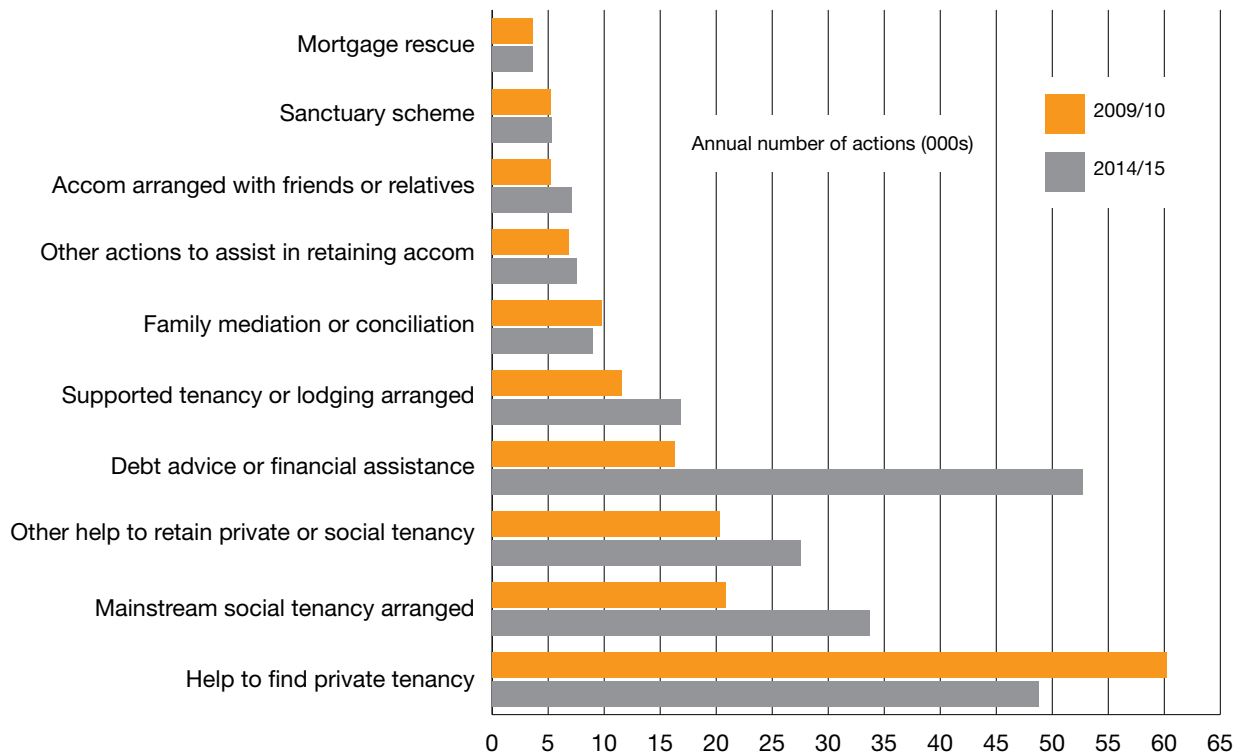
Trends over time in different forms of

prevention work are illustrated more directly in Figure 4.13 which emphasizes the rising importance of both debt advice/financial help (see Chapter 3), and crisis intervention.

4.7 Hidden homelessness

People may be in a similar housing situation to those who apply to LAs as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with a LA or applying to other homelessness agencies. Such people are often referred to as ‘hidden homeless’ (see Chapter 1). A number of large-scale/ household surveys enable us to measure some particular categories of potential hidden homelessness: concealed households; households who are sharing accommodation; and overcrowded households.

Figure 4.12 Local authority homelessness prevention and relief activity, 2009/10-2014/15



Source: Derived from DCLG Homelessness Prevention and Relief statistics, August 2015

Concealed households

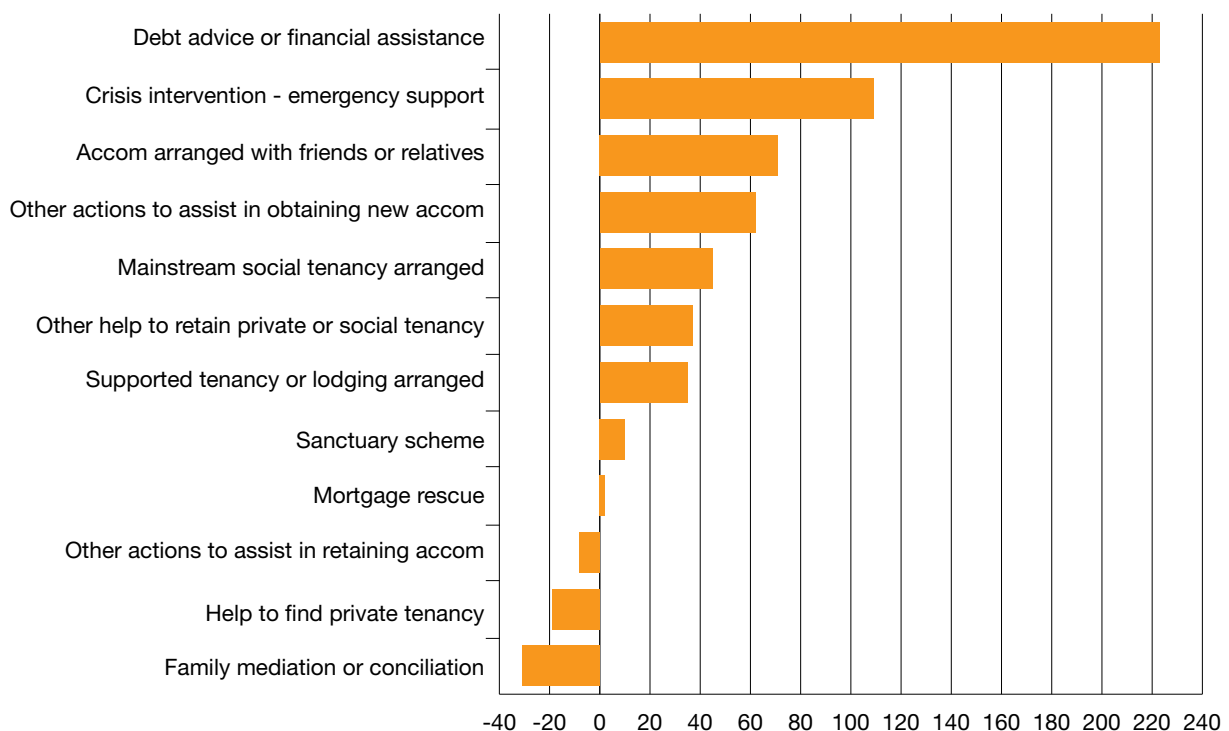
Concealed households are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity. The English Housing Survey (EHS), Understanding Society Survey (USS) and the Labour Force Survey (LFS)³³⁵ ask questions about the composition of the household which enable the presence of ‘additional family/single units’ to be identified.³³⁶

In 2015, there were about 4.72 million households or 21.0 per cent of all households which contained additional family units, based on the LFS. Of these, 267,000 (1.2%) were cases of couples or lone parent families living with other

households, while 1.51 million (6.7%) were cases of unrelated one person units (ie excluding never married children of the main householder) and 3.19 million (14.2%) were cases of non-dependent adult children living in the parental household, as shown in Figure 4.14.

Whereas concealed families are spread across all tenures, unrelated single units were much more prevalent in private renting (including students and young people living in flatshares), while the proportions with non-dependent children were higher in social renting and in owner occupation. Households with non-dependent children are fairly evenly distributed across regions, but unrelated singles and concealed couples/families are

Figure 4.13 Local authority homelessness prevention activity, 2009/10-2014/15: change over time



Source: Derived from DCLG Homelessness Prevention and Relief statistics, August 2015

³³⁵ The main advantage of the EHS is that it is a housing-oriented survey, which asks other related questions, in some cases only in particular years. Its disadvantages include having a smaller sample and rather less complete information about the adults who are not the core household members. The LFS is up-to-date and has a large sample and good questions about household structures, but less detail about housing, including little in the way of attitudinal information.

³³⁶ These surveys only approximate to the ideal definition of ‘concealed households’, as they do not necessarily distinguish those who would currently prefer to remain living with others from those who would really prefer to live separately. However, both EHS and USS do enable single adults wishing or expecting to live separately to be identified. Moreover, they may not fully capture all concealed households reliably. For example people staying temporarily and informally with others may not be recorded in household surveys (like EHS) nor respond to individual surveys (like LFS).

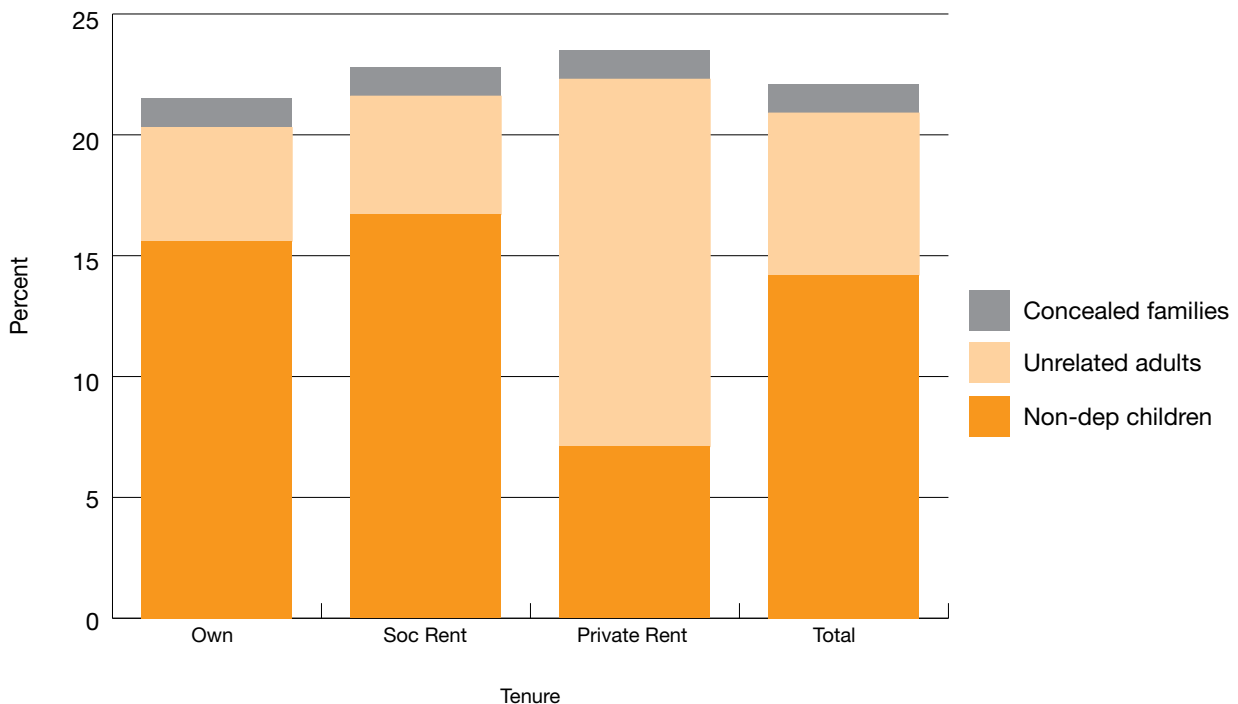
much more prevalent in London at a rate of 15.6 per cent of all households, double the national rate.

EHS data (2012/13) show that all kinds of single concealed households increased between 2008/09 and 2012/13. Additional family/unrelated singles units were most prevalent in larger urban areas, particularly in London. They were also clearly more prevalent in more deprived neighbourhoods, with 10.2 per cent of households in the most deprived fifth of small areas, compared with 4.4 per cent in the least deprived containing such units. There is a similar association with individual household poverty: households with less than 60 per cent of median income (adjusted for household composition, and after housing costs) had a prevalence of 10.1 per cent versus 6.7 per cent for

concealed households (excluding non-dependent children), even though such households alleviate their poverty by living together. Whereas only 6.5 per cent of white households had additional single or family units (again, excluding nondependent children), this rose to 9.1 per cent for black households and 18.4 per cent for Asian households, and 14.2 per cent for other ethnic households.

The proportion of households with non-dependent children increased only slightly, from 11.6 per cent in 2008/09 to 12.2 per cent in 2012/13, based on EHS. However, this understates the significance of the rise in both number (0.6 million) and share, 27 compared to 21 per cent, of 20-34 year olds living with their parents between 1996 and 2013³³⁷ (see Chapter 3; data refer to UK),

Figure 4.14 Households containing potentially concealed households by tenure, England 2015



Source: Labour Force Survey, Quarter 2 2015

337 ONS (2014) *Large Increase in 20 to 34 Year Olds Living with Parents Since 1996*. <http://www.ons.gov.uk/ons/rel/family-demography/young-adults-living-with-parents/2013/sty-young-adults.html>.

given that in this period the population in that age group has been static or falling, whereas the total population and household numbers have been growing. This group are only slightly more prevalent in deprived neighbourhoods or among low income households, although they are more common among Asian (20.5%) and black (14.2%) as against white (11.5%) households.

The EHS asks a question, where such individuals (related or unrelated) are present in a household, as to why this person is living there. Overall, answers implying a preference or intention to move, albeit constrained, or some uncertainty, account for 50 per cent of cases, up from 40 per cent in 2008/09. Overall, this evidence (ie combining the LFS numbers with EHS-based 'preferences') suggests that there were 2.35 million households containing concealed single persons in England in early 2015, in addition to 267,000 concealed couples and lone parents. We estimate that the number of adults in these concealed household units amounts to 3.52 million. These numbers represent broad stability alongside the estimates presented in the last two Monitors but a rise of 40 per cent since 2008.

Figure 4.15 looks at the proportion of concealed single person households (the main area of interest and change) over time since 1991 compared with the rate of formation of new households each year. This chart uses data from an analysis of the longitudinal surveys, the British Household Panel Survey (BHPS) and the new USS, as well as EHS. The former measure only counts those who would prefer to move. Although there is some fluctuation from year to year (partly reflecting sampling error), there is evidence of a general downward trend in household formation from 1991 to 2006, an upward spike in 2007, followed by a further decline to 2011 and a slight recovery to 2013. As we would expect, the proportion of concealed single households represents something of a mirror image of the new

households line, with a notable rise after 2007, persisting through to 2013.

Figure 4.15 shows that individuals living with others, when they would really prefer to live independently, increased markedly after 2008, and this was associated with a fall in new household formation.

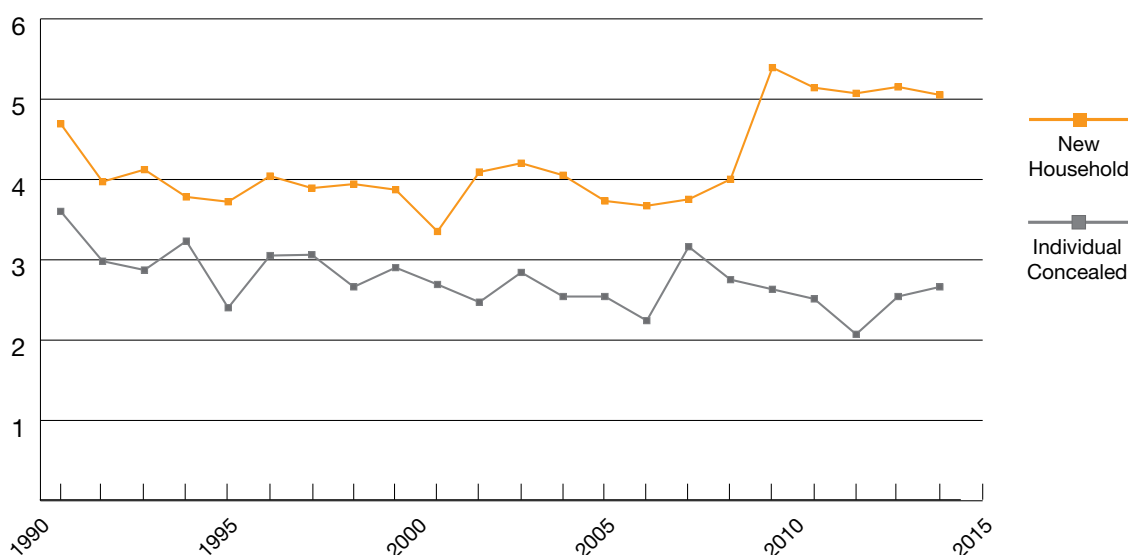
More detailed analysis of these longitudinal surveys shows that being a concealed household can be quite a persistent state. For example, over the whole period 1992-2008, 57 per cent of concealed families in one year were in the same position the previous year, while between 2010 and 2013 this rose from 61 to 66 per cent. This tendency to increased persistence also applied to concealed singles, rising from 51 per cent in 2010 to 58 per cent in 2013. Persistence over three annual waves applied to 37 per cent of concealed families and 31 per cent of concealed singles over the whole period 1992-2008. This underlines that this form of hidden need is not just a temporary phenomenon for many, and that in the period of economic crisis this persistence became even more pronounced.

The EHS also showed a sharp fall in new household formation in 2008 and 2009, although some recovery appeared from 2010. This survey confirms the role of private rented lettings in enabling household formation post-2010, while the number of new households buying or renting social homes fell sharply from 210,000 per annum during 2002-07 to only 88,000 in 2009, with only partial recovery to 122,000 in 2011 and 133,000 in 2013. Another indirect indicator of concealed households is (reduced) household 'headship'. The propensity of individuals within given age groups to form ('head') separate households is a conventional way of measuring household formation. Figure 4.16 illustrates rates for younger adults for selected regions facing very different economic and housing market conditions. For the North East, where housing pressure

was least, the proportion of 20-29 year olds heading households fluctuated somewhat around 35 per cent, but ended at a similar level in 2015 as in 1992. In the East Midlands and the South West, rates started at a similar level but fell to about 31 per cent at the end of the period. In the South East and London, rates falls from 1992 to 2008, then blipped upwards in 2010 before falling back sharply in 2011-13, to end significantly lower at the end of the period (24-27% vs 34-36%). We would expect to see such differences, reflecting different levels of housing market pressure. The upward blip in 2010 may reflect the availability of private rental lettings. Data from the EHS is broadly consistent. Comparing 2013 with 2008, headship fell for younger age groups; by 1.3 percentage points for 16-24, by 2.4 per centage points (25-34), and 1.2 per centage points (35-44). This is consistent with a picture of a tight

housing market and also of worsening real income/living standards among younger working age people in this period.³³⁸ In this discussion we have suggested that the changes and patterns found with concealed households and household headship rates reflect economic and housing market conditions, which differ markedly between regions and localities. This interpretation is supported by a recent study which uses econometric modelling to predict these variables within the longitudinal British Household Panel Survey.³³⁹ Concealed and sharing households are associated with unemployment, private renting, and higher area house prices, after controlling for demographics (including the higher risks for young adults, migrants, and those experiencing relationship breakup). Household formation/headship is inversely associated with house price: income ratios

Figure 4.15 New household forming rate and individual concealed households, England 1991-2013



Sources: British Household Panel Survey 1992-2008; Understanding Society 2009-13; English Housing Survey 2009-13.

³³⁸ Gordon, D., Mack, M., Lansley, S., Main, G., Nandy, S., Patsios, D., Pomati M. & the PSE team from the University of Bristol, Heriot-Watt University, National Centre for Social Research, Northern Ireland Statistics & Research Agency, The Open University, Queen's University Belfast, University of Glasgow and University of York (2013) *The Impoverishment of the UK. PSE First Results. Living Standards*. http://www.poverty.ac.uk/sites/default/files/attachments/The_Impoverishment_of_the_UK_PSE_UK_first_results_summary_report_March_28.pdf

³³⁹ Bramley, G. & Watkins, D. (2015) 'Housing need outcomes in England through changing times: demographic, market and policy drivers of change', *Housing Studies*, E-published 16/10/15. DOI: 10.1080/02673037.2015.1080817

and unemployment, and positively associated with social lettings supply, when controlling for demographic factors.

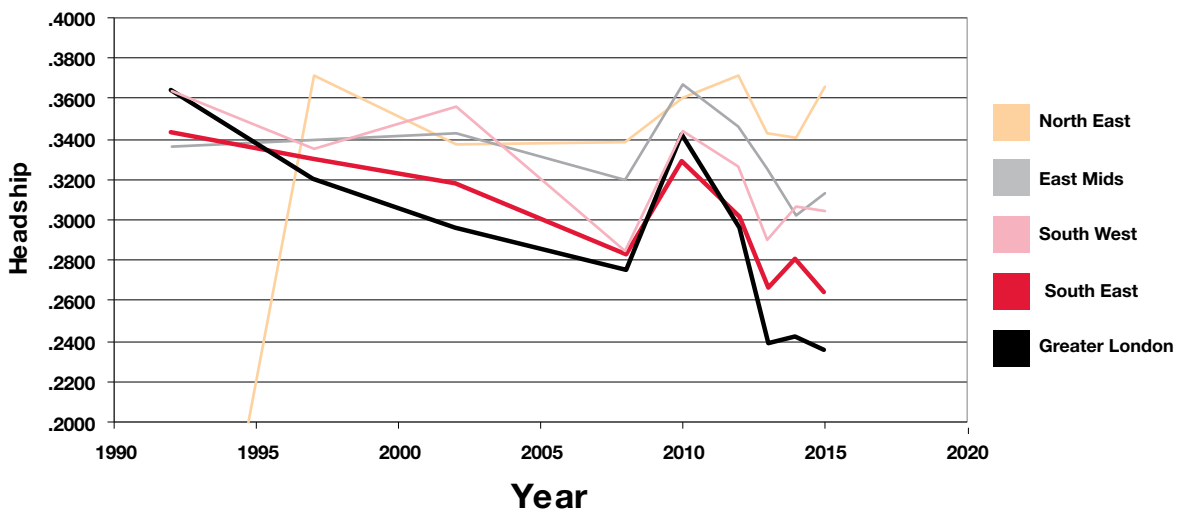
Households sharing accommodation

‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. Sharing can be similar considered similar to concealed households, namely an arrangement people make when there is not enough affordable separate accommodation. For example, some ‘flatsharers’ will be recorded as concealed households, and some will be recorded as sharing households, depending on the room sizes and descriptions. That said, shared accommodation may be desired

or appropriate for certain groups in the population, including some single young people, and innovative models of ‘managed’ sharing are evolving in a context where welfare cuts and housing pressures are making it likely that sharing will become more ‘normalised’ well into adulthood.³⁴⁰

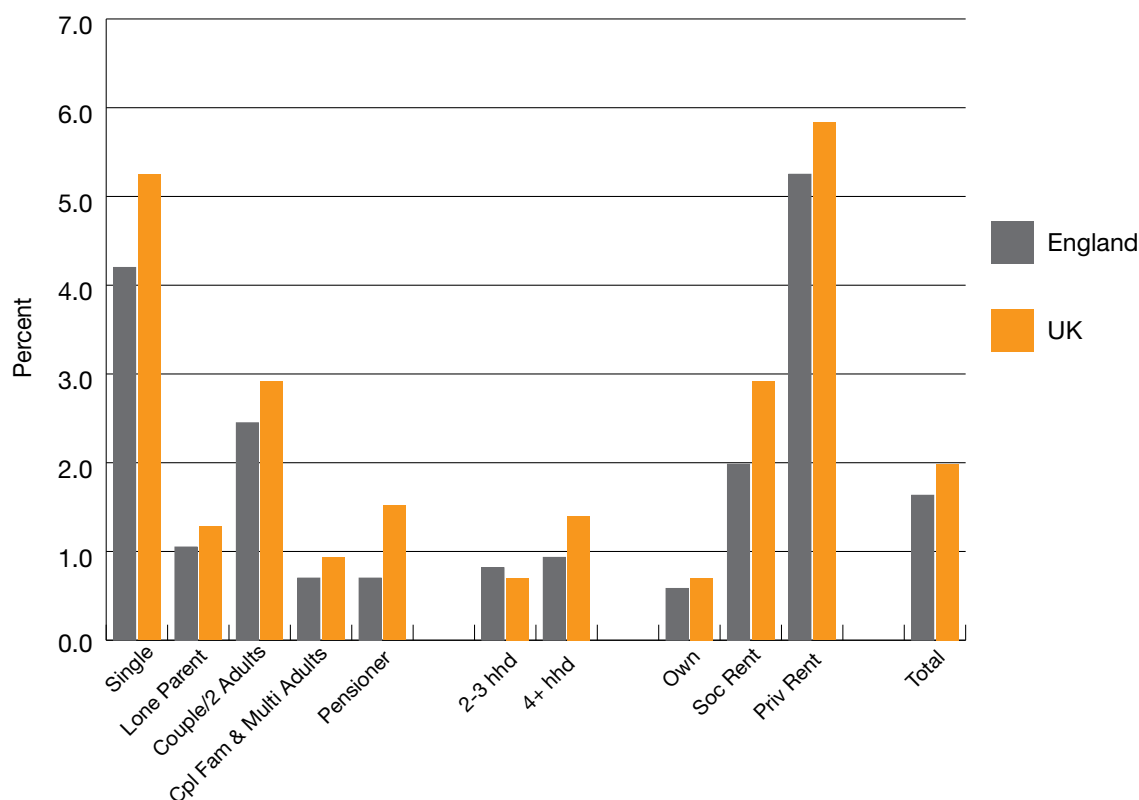
According to the LFS, 1.43 per cent of households in England shared in 2015. Sharing was most common for single person households (3.6%), but was also found amongst couples (2.1%), and couples with children and lone parent households (0.9%) (see Figure 4.17). Sharing is particularly concentrated in private renting (4.5%), but is not unknown in the social rented sector (1.7%) and even

Figure 4.16 Headship rates for 20-29 year olds, selected English regions, 1992-2015



Source: Labour Force Survey.

340 For example, Crisis’ Sharing Solutions Schemes (<http://www.crisis.org.uk/pages/sharing-solutions-schemes.html>) and Thames Reach’s Peer Landlords Scheme (<http://www.commonwealhousing.org.uk/our-projects/peer-landlord-london>).

Figure 4.17 Sharing by household type and tenure, England and UK, 2015

Source: Labour Force Survey.

in the owner occupier sector (0.5%). It is much more prevalent in London (4.8%), as one would expect, and the next highest regions are the South West and North West (1.8%). Sharing is particularly rare in the North East, East Midlands and East of England (0.1-0.2%).

Figure 4.17 also shows that sharing is slightly lower in England than in the UK as a whole, which is not the case for many other need indicators. In fact, sharing is markedly higher in Scotland and in Northern Ireland than in England for reasons that are not entirely clear but may relate in part to different built forms and varying legal and regulatory regimes.

Sharing has seen a long-term decline, which may reflect improving housing availability over the past several decades,

but also probably changes in the PRS and its regulation. The trajectory of sharing over time is shown in Figure 4.18 below. This showed a pronounced decline in the 1990s and a slight further decline in the early/mid 2000s, followed by an apparent increase from 2008 to 2010, a sharp drop from 2010 to 2012, and a bounce back up in 2014-15. The increase from 2008 may appear to evidence the impact of constrained access to housing following the 2007 credit crunch and the subsequent recession. However, the further pronounced decline between 2010 and 2012 may have reflected the expansion of private renting, but also definitional issues.

The EHS has a smaller sample and may have slightly poorer response from groups like sharers, as well as detailed differences in the definition of sharing. This survey also

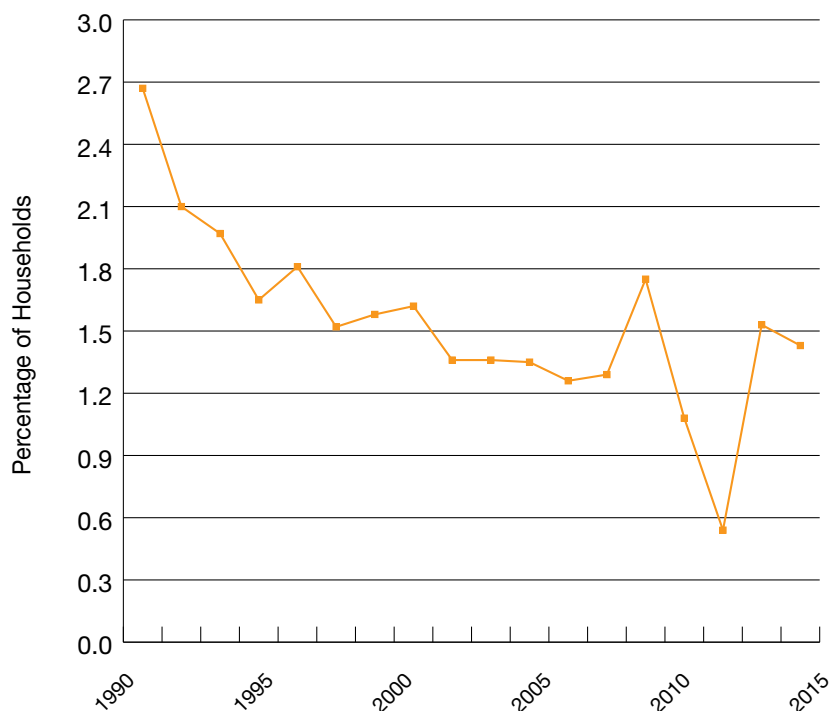
shows a decline, from 1.48 per cent in the period 2008/09 to 0.39 per cent in 2010/11, but then back up to 0.66 per cent in 2012/13. While there clearly remains some uncertainty about these numbers, the common finding between the two sources is that the decline has probably bottomed out.

One reason to expect some continued increase in sharing is the extension of the SAR to 25-34 year olds (see Chapter 3). But given the acute demand pressures on a limited supply of shared accommodation in many areas,³⁴¹ many of the additional people affected by the SAR are becoming 'concealed households' rather than sharing households. Some of the increase in concealed households may be actually a mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.

Overcrowding

Figure 4.19 summarises trends in overcrowding by tenure in England between 1995 and 2012 (DCLG prefer to present this indicator based on a 3 year rolling average, which we do also except for the last year, 2013), based on the 'bedroom standard'.³⁴² Overcrowding actually increased to quite a pronounced extent from 2003 to 2009, from 2.4 to 3.0 per cent of all households, reversing previous declining trends, although there was a slight decline in 2010, with a slight further increase in 2013. On the most recent figures, 701,000 households (3.1%) were overcrowded in England. Overcrowding is less common in owner occupation (1.5%) and much more common in social renting (6.7%) and private renting (5.1%). The upward trend in overcrowding is also primarily associated with the two rental tenures, although there was some

Figure 4.18 Sharing households in England (per cent), 1992-2015

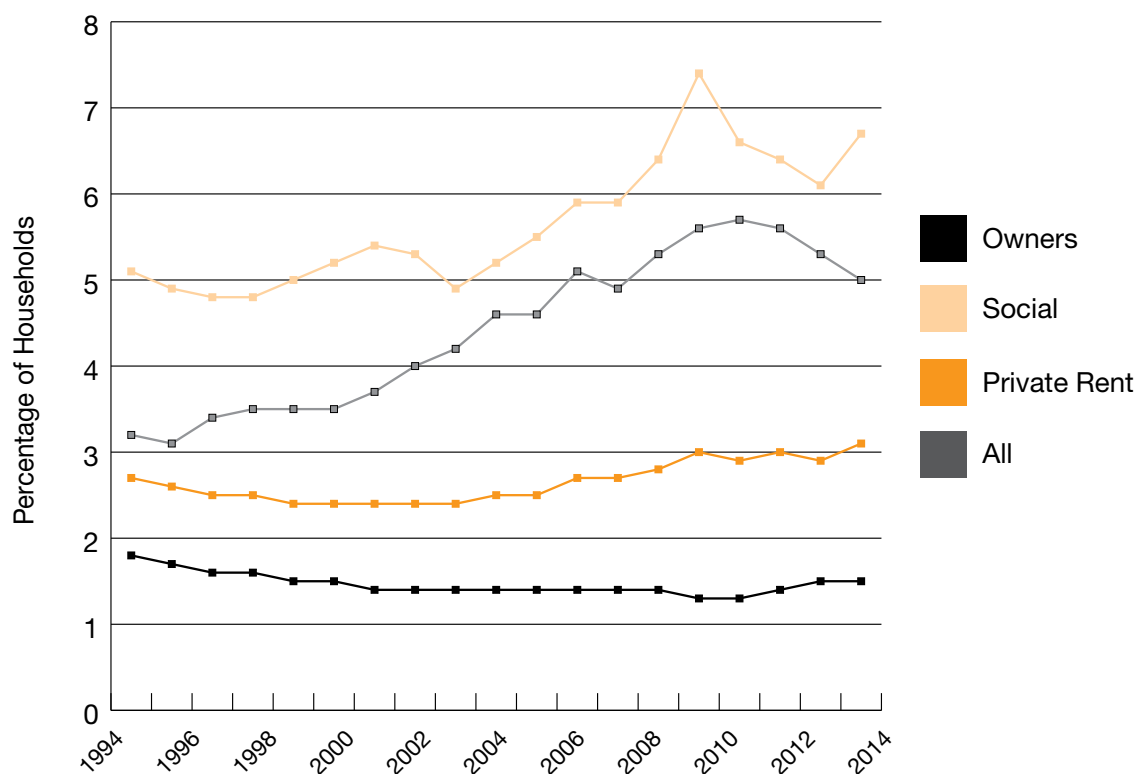


Source: Labour Force Survey.

³⁴¹ Centre for Housing Policy, University of York (2011) *Unfair Shares: A Report on the Impact of Extending the Shared Accommodation Rate of Housing Benefit*. London: Crisis

³⁴² This is the most widely used official standard for overcrowding. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

Figure 4.19 Overcrowding by tenure in England (per cent), 1995-2013



Source: Survey of English Housing/English Housing Survey Note: all based on 3-year average except 2013 (2 year average)

improvement in social renting in 2010/11 and in private renting in 2011-13.

As with the other housing pressure indicators considered here, there is a much higher incidence in London (across all tenures), with a rate of eight per cent in 2012/13. The next worst region for overcrowding is the West Midlands (3.2%), followed by the East and South East (2.4%). Recent trends in overcrowding (2008/09 to 2012/13) are downward in the northern regions, but upwards in the southern regions and London. For example, London increased by 0.6 per cent points, and southern regions by 0.2-0.3 percentage points, while the North East fell by -0.8 percentage points and the other northern regions by -0.2 percentage points.

Overcrowding can be quite a persistent experience for the households affected. Detailed analysis of the longitudinal BHPS shows that over the whole period 1992-2008, 62 per cent of overcrowded households in a particular year had been overcrowded the previous year, while 40 per cent had been overcrowded two years earlier. In the period 2010-13, based on USS, the persistence of overcrowding rose from 62 to 70 per cent of crowded households having been crowded the previous year.

Econometric modeling of overcrowding propensity in the BHPS showed that this was positively related to area house prices, interest rates, both rental tenures, unemployment and poverty after housing costs, after controlling

for demographics, which include a strong positive association with Asian ethnicity as well as larger households, having more children, or being aged under 30.

4.8 Key points

- An ongoing upward trend in officially estimated rough sleeper numbers remained evident in 2014, with the national total up by 55 per cent since 2010. At 14 per cent, the 2014 annual increase was the largest since 2011. Most notably, the 2014 London estimated total was up by 37 per cent over the previous year. Most of this increase resulted from a jump from 175 to 315 rough sleepers enumerated in the City of Westminster and the City of London. Statistics routinely collected by the St Mungo's Broadway 'CHAIN' system confirms a substantial rise in rough sleeping in the capital over the past year.
- At 54,000, annual statutory 'homelessness acceptances' were 14,000 higher across England in 2014/15 than in 2009/10. With a rise of 4 per cent over the past year, acceptances now stand 36 per cent above their 2009/10 low point. However, administrative changes mean that these official statistics understate the increase in 'homelessness expressed demand' over recent years.
- Including informal 'homelessness prevention' and 'homelessness relief' activity, as well as statutory homelessness acceptances, there were some 275,000 'local authority homelessness case actions' in 2014/15, a rise of 34 per cent since 2009/10. While this represents a slight (2%) decrease in this indicator of the gross volume of homelessness demand over the past year, two-thirds of all local authorities in England reported that overall service demand 'footfall' had actually increased in their area in 2014/15.
- The UK Statistics Authority recently concluded that the official Homelessness Prevention and Relief and Rough Sleeping statistics do not currently meet the required standards of trustworthiness, quality and value to be designated as 'National Statistics'. The Statutory Homelessness Statistics retained their National Statistics status on condition that urgent action is taken by Government to make a series of required improvements, including placing these statistics in their proper context.
- The vast bulk of the recorded increase in statutory homelessness over recent years is attributable to the sharply rising numbers made homeless from the private rented sector, with relevant cases almost quadrupling from 4,600 to 16,000 over the past five years. As a proportion of all statutory homelessness acceptances, loss of a private tenancy therefore increased from 11 per cent in 2009/10 to 29 per cent in 2014/15. In London, the upward trend was even starker, with loss of a private tenancy accounting for 39 per cent of all homelessness acceptances by 2014/15.
- Regional trends in homelessness have remained highly contrasting, with acceptances in the North of England in 2014/15 some 10 per cent lower than in 2009/10 (the national nadir), while in London the latest figures were 85 per cent higher than five years earlier.
- Since bottoming out in 2010/11, homeless placements in temporary accommodation have risen sharply, with the overall national total rising by 12 per cent in the year to 30 June 2015; up by 40 per cent since its low point four years earlier. Although accounting for only 8% of the national total, B&B placements rose sharply (by 23%) in the most recent year. 'Out of district' placements have increased by 26 per cent over the past year, and now account for 26 per cent of the national total, up from only 11 per

cent in 2010/11. Such placements mainly involve London boroughs.

experience for the households affected, with this persistence increasing in the most recent period.

- There were 2.35 million households containing concealed single persons in England in early 2015, in addition to 267,000 concealed couples and lone parents. The number of adults in these concealed household units is estimated at 3.52 million. These numbers represent broad stability alongside the estimates presented in the previous two Monitors, but a rise of 40 per cent since 2008.
- Concealed single individuals living with others, when they would really prefer to live independently, increased markedly after 2008, and this was associated with a fall in new household formation. Being a concealed household can be quite a persistent state for both families and single people, with this persistence becoming more pronounced after the recent economic crisis.
- Sharing has seen a long-term decline, but this trend now appears to have bottomed out. Some, but not all, of the increase in concealed households may be the mirror image of the decline in sharing due to changes in the way groups of people are classified into households in surveys.
- Concealed and sharing households are associated with unemployment, private renting, and higher area house prices, after controlling for demographics (including the higher risks for young adults, migrants, and those experiencing relationship breakup).
- On the most recent figures 701,000 households (3.1%) were overcrowded in England. Thus, overcrowding is sitting at its highest level in recent years. Recent trends in overcrowding are downward in the northern regions, but upwards in the southern regions and London. Overcrowding can be quite a persistent

5. Conclusions

From our late 2015 vantage point, and having completed five annual homelessness monitors for England, we can now review the broad sweep of outcomes on homelessness during the Coalition Government's (2010-2015) term in office, as well as looking ahead to likely developments under the new Conservative Government till 2020.

There is no shadow of a doubt that homelessness escalated during the last Parliament and escalated considerably. Thus rough sleeping as officially estimated rose by 55% across England, while the more robust 'CHAIN' data, available only for London, indicates that enumerated rough sleeping more than doubled in the capital during the Coalition's time in office. Similarly, statutory homelessness acceptances, having reached a national nadir in 2009/10, subsequently climbed by over a third under the Coalition, albeit that these figures remain substantially below their last peak in 2003. Moreover, with local authority staff testimony confirming a continued trend towards a primarily non-statutory approach to homelessness, these acceptance figures undoubtedly understate the true 'expressed rise in homelessness demand' over the last five years, with homelessness service 'footfall' reportedly still rising in two thirds of English local authorities. Further evidence of intensifying homelessness pressures can be found in the statistics on homeless placements in temporary accommodation, up 40 per cent over the past four years, with both B&B and 'out of district' placements continuing to grow. At the same time concealed households and overcrowding, both potential forms of 'hidden homelessness' which have been on a long-term rising trend, intensified in both scale and persistence post-2008, reflecting the ratcheting up of housing market stress.

The post-2007 economic crisis will have contributed to some of these trends.

However, as we have argued throughout the Monitor series, and as confirmed by key informants from across all four UK nations, policy factors have a much more direct bearing on homelessness than economic conditions in and of themselves. In particular, the strength or otherwise of the welfare safety net (especially housing allowances) plays a crucial role in 'breaking the link' between losing a job, or persistent low income, and homelessness. The 2010-2015 welfare reforms weakened this safety net, and two thirds of English local authorities surveyed in Summer 2015 considered that benefit cuts had exacerbated homelessness in their area. However, it is important to note pronounced regional variations within this: 93 per cent of London boroughs reported that welfare reform under the Coalition had increased homelessness in their area, as compared with only half (49%) of local authorities in the North of England.

There was also strong regional divergence with respect to the specific aspects of welfare reform that were said to have had the most significant deleterious effects on homelessness. In the North and Midlands, it was the extension of the Shared Accommodation Rate to 25-34 year olds that caused greatest concern, while in London and the South it was the cap on maximum Local Housing Allowance that drew most criticism. The next most damaging welfare development, as identified by local authorities in the North of England especially, was the intensification of the benefit sanctions regime. In contrast, the 'Bedroom Tax', despite the massive controversy it has generated, and its disproportionate impact in poorer parts of the country, does not (yet) appear to have contributed in a major way to the generation of homelessness, not least because of the significant mitigation achieved using Discretionary Housing Payments. There is even a hint that, notwithstanding its many

detrimental effects, the 'Bedroom Tax' may in some cases have assisted efforts to counter homelessness by persuading impacted families to 'hold on to' young people who might otherwise have been ejected from the family home, and by freeing up some family-sized accommodation via under-occupier downsizing.

Contrasting regional patterns on the relative importance of different welfare measures underscore the fundamental importance of housing markets in shaping the generation of homelessness. Intensifying shortfalls in housing supply are a key structural contributor to homelessness in England, with London and the south of the country worst affected. Thus, while homelessness acceptances have risen 85% in London over the past five years, they have actually fallen by 10 per cent in the North.

What is critical is the interaction between welfare cuts, especially Local Housing Allowance restrictions, and rising market rents. The importance of these housing market dynamics is reinforced by the unprecedented rise in the numbers made homeless by the ending of private tenancies, with relevant cases almost quadrupling from 4,600 to 16,000 over the past five years. Again indicative of the exceptional pressures in the capital, the upward trend there was even more extreme, with loss of a private tenancy accounting for 39% of all homelessness acceptances by 2014/15, and the number of relevant acceptances having risen from 925 to 6,790 over the period.

It is clearly the case, therefore, that the combined impact of tightening housing markets and welfare cuts has exacerbated homelessness pressures under the Coalition administration. However, it is also important to acknowledge positive policy developments during their time in office. Thus the Homelessness Prevention Grant was protected throughout the five years of Coalition Government, even in the face

of fierce cuts elsewhere in local authority budgets. Similarly, a number of targeted initiatives provided additional funds for, amongst other things, hostel improvements, innovative housing and support models, private rented sectors access schemes, hospital discharge programmes and tailored support for vulnerable homeless people with complex needs. Funds have also been investment in developing accommodation options and 'positive pathways' for low income young people. And, in a context of generally rising incidence of homelessness, it is notable that youth homelessness appears to have remained broadly stable in recent years, albeit that young people remain at much higher risk than older adults.

Against all of this, however, massive cuts in core housing-related support have hollowed out homelessness services in many areas, with overall 'Supporting People' funding cut by more than half in real terms between 2010/11 and 2015/16. Disproportionate cuts of up to 80% have been reported in single homelessness services in some areas. There is therefore an urgent need to ensure that vulnerable homeless people are able to access support via the adult social care budgets provided for under the terms of the Care Act 2014.

Looking forward, there is also plenty of cause for concern, with almost three quarters of local authorities in England anticipating that the roll out of Universal Credit will further increase homelessness. The new welfare reforms announced in the Summer 2015 Budget and Autumn Statement will have particularly marked consequences for families with more than two children, for whom further restricted benefit caps may render even social rented housing beyond their means. Also at high risk are young single people exposed to the risk of either being entirely excluded from support with their housing costs (if 18-21 and not in work), or subject to the very low Shared Accommodation Rate limits on eligible rents in the social as well as the private rented

sector. In the face of these and other major benefit cuts, 2015 local authority respondents largely viewed expanded Discretionary Housing Payments budgets, while welcome and necessary, as an inadequate ‘sticking plaster’.

At the same time, there are concerns that the forced sale of high-value council houses, coupled with the loss of properties via the Right to Buy, and reduced new build development, may further deplete social housing resources already under tremendous pressure. Together with a potential weakening in local authority nomination rights to housing association rental properties, in the context of ongoing ‘deregulation’ negotiations, these policy developments under the new Conservative administration will exacerbate the risk of local authorities’ losing the capacity to discharge their statutory homelessness duties. Even for those homeless or other vulnerable households able to access social or affordable rented housing, it may increasingly be offered as a time-limited stopgap rather than a secure home, if the Government is successful in its plans to mandate the use of fixed-term tenancies in all new council tenancies, subject to specified exemptions, and possibly also in housing association lettings too.

Thus, with recent policy decisions leaving major question marks hanging over the future supply of, and access to, social and affordable rented housing, coupled with deep cuts in welfare that are making access to both rental sectors increasingly difficult for low income households, the question “who will house the poorest?” is becoming an increasingly urgent one. Massive reductions in ‘Supporting People’ and other relevant sources of revenue funding at local level also casts a long shadow over future prospects for housing security amongst those with additional support needs.

The evidence provided by the homelessness monitor over the coming years will provide a

powerful platform for assessing the impact of economic and policy change on some of the most vulnerable people in England. As well as continuing to track the headline trends in both visible and hidden forms of homelessness, we will provide an overview of the profile of those affected, and the changing geography of homelessness in England, and how this evolves over the course of the time in office of the current Conservative Government till 2020.

Appendix 1 Local Authority Survey (2015)

An online survey of England's 326 local authorities was undertaken in August/September 2015. The main aim was to delve beneath the routinely published statutory homelessness statistics to enhance understanding of how housing market trends and welfare reforms have impacted on (a) homelessness demand pressures, and (b) local authorities' ability to prevent and resolve homelessness.

The questionnaire was informed by the in-depth interviews undertaken with our case study local authorities. The research team also consulted with Crisis and Joseph Rowntree Foundation (JRF) colleagues as well as with other homelessness experts. A draft version of the questionnaire was kindly piloted by case study authority contacts.

An e-mail invitation to participate in the survey was sent via the National Practitioner Support Service (NPSS) to local authority homelessness contacts (often nowadays titled 'Housing Options managers'). Following two sets of reminder messages complete or substantially complete responses were filed by 152 authorities or 47 per cent of all authorities – see Table 1. In terms of its regional distribution the achieved sample is reasonably representative of England.

Table 1 Survey response rate

	All local authorities	Responding Authorities	Non-responding authorities	Response rate %
London	33	18	15	55
South	151	65	86	43
Midlands	70	31	39	44
North	72	38	34	53
England	326	152	174	47

Table 2 Has the overall flow of people seeking assistance from your Housing Options/homelessness service changed over the past year?

	Yes - increased significantly	Yes - increased slightly	No - remained reasonably steady	Yes - decreased slightly	Yes - decreased significantly	Total	N
London	33	50	17	0	0	100	18
South	31	38	26	5	0	100	65
Midlands	29	42	19	10	0	100	31
North	5	47	32	16	0	100	38
England	24	43	25	8	0	100	152

Table 3 Would you say that 'homelessness demand' trends in your area are best reflected by...

	The statutory homelessness assessment statistics	The combined total of statutory homelessness acceptances, homelessness prevention and homelessness relief actions	Neither	Total	N
London	0	88	13	100	16
South	14	74	12	100	65
Midlands	7	87	7	100	30
North	5	89	5	100	38
England	9	82	9	100	149

Table 4 Could the DCLG homelessness-related statistical returns be improved or made more meaningful/useful?

	Yes	No	Don't know	Total	N
London	40	20	40	100	15
South	45	17	38	100	65
Midlands	33	13	53	100	30
North	55	8	37	100	38
England	45	14	41	100	148

Table 5 Do you think that legislation similar to the new Welsh Government framework would be beneficial for England?

	Yes	No	Don't know	Total	N
London	47	53	0	100	15
South	58	22	20	100	65
Midlands	52	21	28	100	29
North	59	24	16	100	37
England	56	25	18	100	146

Table 6 Is the recent Supreme Court ruling on vulnerability likely to mean that a higher proportion of single homeless applicants will be accepted as being in priority need than in the past?

	Yes - significantly higher	Yes - slightly higher	No - it will make little impact	Not sure/ Don't know	Total	N
London	0	47	40	13	100	15
South	13	28	55	5	100	64
Midlands	3	38	59	0	100	29
North	8	35	43	14	100	37
England	8	34	51	7	100	145

Table 7 Does your authority find it difficult to provide meaningful help to particular groups?

	No, not usually	Yes, sometimes	Yes, often	Total	N
a) Families with dependent children and/or a pregnant woman	64	31	5	100	148
b) 16 and 17 year olds	51	32	17	100	148
c) Care leavers aged 18-20	43	40	17	100	148
d) (Other) single people aged 18-24	13	43	44	100	148
e) Single people aged 25-34	12	34	54	100	148
f) Single people aged 35 and over	22	39	39	100	148
g) Households with complex needs	9	40	51	100	148

Table 8 How would you rate the quality and extent of homelessness prevention assistance that your authority is able to offer the following types of household?

	Excellent	Good	Adequate	Poor	Very poor	Total	N
Single person households	6	45	34	15	0	100	144
Families with dependent children	21	54	21	3	1	100	144

Table 9 Has the staffing budget and other revenue resources for your Housing Options/homelessness service changed over the past year?

	Yes - increased significantly	Yes - increased slightly	No - remained similar	Yes reduced slightly	Yes reduced significantly	Total	N
London	0	27	40	20	13	100	15
South	3	14	48	30	5	100	64
Midlands	0	14	50	21	14	100	28
North	0	8	54	35	3	100	37
England	1	14	49	28	7	100	144

Table 10 In your view, did the welfare changes implemented by the Coalition Government (2010-2015)...

	Increase homelessness in your area	Have little impact on homelessness in your area	Decrease homelessness in your area	Don't know	Total	N
London	93	7	0	0	100	15
South	67	25	0	8	100	64
Midlands	79	18	0	4	100	28
North	49	43	0	8	100	137
England	67	26	0	6	100	144

Table 11 Which one of the following (former) Coalition Government welfare changes has so far had the most significant impact on homelessness in your area?

	London	South	Midlands	North	England
Extension of Shared Accommodation Rate to single 25-34 year olds	0	26	45	44	30
Caps on maximum LHA rates	69	37	9	0	28
JSA/ESA sanctions	0	9	14	33	14
Total benefit cap	15	16	0	6	10
'Bedroom tax'	0	2	27	6	8
Other changes to LHA rules	15	2	0	0	3
Replacement of Social Fund with Local Welfare Assistance	0	5	5	0	3
Other	0	2	0	6	2
Reforms to Council Tax support	0	0	0	6	1
Total	100	100	100	100	100

Base: Respondents stating that the 2010-2015 welfare reforms had led to increased homelessness (N=97)

Table 12 How far did your ability to make Discretionary Housing Payments help to mitigate the homelessness impacts of Coalition Government welfare reforms?

% of yes respondents	Helped greatly	Helped slightly	Made little impact	Not sure	Total	N
Single person households	29	50	13	8	100	142
Families with dependent children	48	37	7	8	100	143

Table 13 Is the roll out of Universal Credit in your area likely to...

	Increase homelessness	Have little impact on homelessness	Decrease homelessness	Don't know	Total	N
London	67	0	0	33	100	15
South	81	5	0	14	100	64
Midlands	59	15	0	26	100	27
North	72	6	0	22	100	36
England	73	6	0	20	100	142

Table 14 In your view are the July 2015 budget welfare changes likely to increase homelessness among the following groups?

	London	South	Midlands	North	England	N
	% of yes respondents					
Large families (+3 children)	93	98	93	83	93	141
Other families with children	86	72	63	56	67	141
Single 16 and 17 year olds	36	58	30	42	46	141
Single 18 - 21 year olds	57	94	85	83	86	141
Single 22 - 24 year olds	57	64	56	58	60	141
Single over 25 year olds	71	61	48	47	56	141

Appendix 2: Technical note on estimation of numbers for figure 4.5

Supporting People (SP) records cover the housing-related support services dataset that included most publicly-funded single homelessness services and covered all higher tier (social services) authorities in England in 2010/11, and a majority still in 2012, although this data is no longer compiled. These data enable us to identify people whose primary need for support related to homelessness, but also those clients with other support needs who in addition had a homelessness issue. They also enable identification of overlaps with statutory homelessness.³⁴³

Figure 4.5 is based on the following table, which refers to 2012/13. This in turn is based on a similar table for 2010/11, which was constructed directly from detailed analysis of SP data for that year in the *Hard Edges* study.

2012/13 Analysis & Reconciliation

Row	Category	Homeless	Homeless	Single HL
		Adults	Single	SMD
1	SP homeless but not in client grp code	23,329	22,080	13,045
2	SP homeless not in LA stat h'less	46,605	42,260	31,553
3	LA h'less but not owed duty	28,180	25,608	21,320
4	LA h'less owed duty	53,550	14,280	11,889
5	SP excess single stat h'hless vs LA	15,287	15,287	13,240
6	LA stat h'less 2nd adult	13,940	0	0
7	Half of cases given 'relief' by LA	10,500	3,635	2,692
8	Total homeless adults flow England	191,391	123,150	93,739
9	Total PSE	184,908		

³⁴³ SP numbers are grossed up to allow for clients without unique IDs and for the LAs not making returns in 2012/13.

In 2010/11 there was full coverage of LAs in SP data, but our detailed analysis was carried out for those client records which had a unique ID, enabling linkage to outcomes data and elimination of duplicates. However, to get to a total number it is necessary to apply a grossing up factor to allow for client records which did not have a unique ID. This factor was 1.35. When repeating the analysis for 2012/13, it is also necessary to combine this with a second grossing up factor (of around 1.5) to allow for the fact that only about two-thirds of local authorities made returns in that year.

In the *Hard Edges* study we classified clients as having a homelessness issue if any of quite a wide range of factors were coded, for example 'type of service' or 'accommodation' was women's refuge or foyer, other temporary accomm, rough sleeping, B&B, living with friends, etc. This was in addition to people whose primary or secondary client group code was single homeless with support needs, rough sleeper, or a homeless family with support needs.

We ran a cross-tabulation of these 'severe and multiple disadvantage' (SMD) combinations, based on this wider coding, against the variable ('Homeless3') which recorded whether (prior to service) client had been statutorily homeless and owed a duty, statutorily homeless and not owed a duty, or not found statutorily homeless by LA but considered homeless by service provider.

Row 1 in the table is those who were coded as having a homelessness issue, with or without being SMD2/3 (ie experiencing at least two of homelessness, substance misuse, and chronic offending) based on the wider set of flags mentioned above, but who were coded in the variable just mentioned (Homeless3) as 'don't know/missing' or 'not homeless'.

Row 2 in the table is those who were coded as 'other homeless' in the variable Homeless3, which means they were regarded as homeless by the service provider but were not engaged with the statutory system. Again, these numbers were distributed across the 'homeless only' and various SMD combinations involving homelessness.

Row 3 in the table is those who were statutorily homeless but not owed a duty, most of whom of course were single. This is a case where there is overlap between the numbers recorded by SP and the numbers recorded by the LAs. Row 3 shows the numbers from the LA return, which is significantly greater than the number from SP. This is as we would expect, insofar as quite a lot of people are presumed to apply to the LA but not to one of the voluntary providers in SP.

Row 4 in the table is those who were statutorily homeless and owed a main duty, where we take the numbers from the LA return. The majority of these were families, with a lesser number of singles. Here again there is an overlap with SP, but this time the SP numbers are bigger. We include this excess of single homeless in SP which have been recorded as statutorily homeless and owed a duty, over and above the numbers recorded by the LA, in Row 5 of the table. There is some uncertainty here, given that SP appear to have over-estimated the number owed a duty relative to the official numbers. We are assuming that the voluntary service provider has misclassified these people in terms of whether they were in fact owed a duty, but not in terms of their being homeless – and that they are not the same people as appeared in Row 3.

Row 6 in the table makes an allowance for the fact that some family homeless in the statutory system have a second adult in the household. These numbers are estimated from the household composition table in the statutory homeless return tables. This is needed because the overall numbers are reckoned in adults, not households.

Row 7 in the table refers to data from the LA Homeless Prevention and Relief returns. We take half of the number of cases where homelessness was not prevented but where the LA provided some relief. This is based on an assumption about the proportion of these cases who approached the LA but did not use one of the voluntary service providers and hence would not be counted in SP.

For each row in the table we make an apportionment between family and single homeless, and a further apportionment for 'single and SMD'. Where the main source is the statutory returns (row 4), we have a direct split of family and single/other. For Rows 1-3 we take the family share from SP data cross-tabulating household type with 'Homeless3'. Row 5 are all single, while none of Row 6 are. For row 7 we take the average share across Rows 3 and 4. The apportionment to SMD are based on the SP cross-tabulation of Homeless3 by the SMD combinations /segments (homeless+substance, homeless+offending, all 3), directly from the grossed numbers in Rows 1 and 2, or indirectly applying the shares from the SP analysis to the numbers in the table for Rows 3 and 4.

In getting from the base analysis conducted for 2010/11 to the numbers presented for 2012/13, each component is adjusted to reflect the changes in the relevant totals from the Statutory LA homeless returns and from the grossed up SP numbers for that year. The overall increase of 10,000 in the total is mainly accounted for by the increase in LA homeless owed main duty between these two years; the SP numbers do not change much.

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About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

Get in touch

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Homelessness ends here